from the minister on these issues so important to the women of Canada and to the viability of farming in this nation.

Progress reported.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

THE CANADIAN ECONOMY—TAX INCENTIVES FOR INDUSTRY LOCATING IN SLOW GROWTH AREAS

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I feel that an investment tax credit of 100 per cent would be an excellent incentive for development of the Atlantic region which suffers from regional disparity. It would create taxpayers and simply defer their tax payments until their investments in new industry or expansion are recouped with no loss and, indeed, a net gain for the federal treasury. The government's subsequent decision to offer the lower 50 per cent investment tax credit in parts of the region only tends to contemplate competition within the region instead of strengthening the region as a whole so it can compete fairly with other regions of Canada.

I suggest that the real debate is not whether one locates in a part of a province, but whether resources in one region or another are more attractive for manufacturing or processing. Here DREE can and should operate to equalize an unfair imbalance based on development, transportation, infrastructure, financial resources and training.

I have to confess that I find it very confusing to attempt to rationalize the minister's program. The stated objective is to promote industrial development in those parts of Canada most adversely affected by economic disparities. I find it very difficult to rationalize this approach with the application of the program spread over every province and territory in Canada instead of concentrating on regions which suffer from disparity.

I am not clear whether it is a requirement of the program or only a general target that only 40 per cent of a province qualifies for this benefit and, in either case, why, if more than 40 per cent of a province qualifies under the other program criteria should these areas be excluded from the program. While these discrepancies remain unclear, a quick reference to the areas that are identified in relation to those that are not, raises other questions.

Take the province of Quebec for example. The areas identified range from Bonaventure through to part of Saguenay and nouveau Quebec. The average incomes in these areas related to the latest Revenue Canada figures available range from $8,115 to $10,756. The unemployment rate ranges from 8.2 per cent to 20.2 per cent. The employment to population ratio runs from 37.2 per cent up to 53.3 per cent. These are the areas that are included.

In the same province a quick reference to figures for Maskinongé shows an income figure of $7,883, an unemployment rate of 11.3 per cent and an employment to population ratio of 46.6 per cent. In Charlevoix the income figure is $8,689. The unemployment rate is 13 per cent and the employment to population ratio is 41.5 per cent. L'Islet has an income rate of $7,780, an unemployment rate of 9.3 per cent and an employment to population ratio of 44.3 per cent. These are the areas not included, and they appear to be worse off. There are others.

In another part of Canada, a designated area has an unemployment rate of 7.7 per cent, an employment to population ratio of 62 per cent and an income figure of $11,399. It is included.

There must be little wonder why I asked to have the data base and any related information that was used in arriving at these designated areas tabled in the House.

In the case of New Brunswick I can only say that I have no quarrel with the areas that are included because the segment includes Kent county which has an average income per family of $6,736 to Restigouche county which has an average income of $8,442. But the question becomes more complex when I try to understand why counties such as Queen's county, which has an average income of $7,453, Carleton county which has an average income of $7,397, and Victoria county which has an average income of $7,205, are excluded. So, too, with Charlotte county where the average income is $8,239. The incomes of families in these counties is certainly in the same bracket as those which are included, and as hon. members can see they are lower than some of the ones which are included.

● (2205)

When I look at these discrepancies and note the fact that every area in the Atlantic provinces that is included, with one small exception—part of Guysborough county in Nova Scotia—is represented by a member of the government caucus, questions arise in my mind and there are questions put to me by other people which I simply cannot answer. I would, therefore, like to have the statistical information upon which this program is based.

Generally, the attempt to touch every province and apply an arbitrary rule limiting the benefit to 40 per cent of the population of any one province and excluding the farming, logging and mining sectors, has diminished the value of a basically good idea with serious contradictions caused when the minister spreads DREE too thin and too far and fails to focus on regions of disparity.

My strong recommendation based on the information available to me is that all of the Atlantic provinces should be identified for purposes of this tax benefit and that the 40 per cent rule, if indeed it is a rule, be abandoned.