

*Income Tax Act*

that there are areas in Canada which have only recently been settled and which deserve some incentive. The whole existence of some of these more isolated areas depends on one industry, and one of the criteria which should be used in designating these areas ought to be an examination of the industry an area already has, and how to prevent it becoming a depressed area in the future. We can do that by providing encouragement for secondary industry, and this has specific reference to certain pulp towns and mining towns which, if they lose the one industry they have, become ghost towns. As an example I refer to Hinton, in my own riding, which is a pulp town pure and simple, and which has been seeking another industry for many years. I think it should be possible for the government to provide incentives so that it would secure a secondary paper manufacturing industry.

The same applies to many towns in northern Ontario. We have to do more than just take those things which are already there. We have to try to develop policies which will prevent areas becoming depressed in the future.

As I have said, all this government has done in western Canada so far has been to cost us a lot of money. We are paying through the nose. We are paying additional sales taxes, and now we will be paying for these incentives for designated areas. We want to be sure that our money is going to be well spent. We do not think it will now, because there is too much red tape involved, and once again I ask the minister why not make direct grants and provide credit and other facilities instead of doing it this way? The job could be done quicker, cheaper and with less red tape. As the scheme stands at present people are not going to know whether it is worth while for them to do anything at all.

I hope the minister's officials have studied what has happened in other countries and which is the best way to provide these jobs for Canadians. In western Canada we have felt over the years that we have been milked a little bit by the industrial east, and our great ambition is that we become more industrialized. We would like to see some incentive in that direction. There is wide scope for this type of incentive, and something should be done to encourage the manufacture of products presently being imported from other countries.

The government can only go so far in providing subsidies or support to try and make a particular area prosperous, because after all manufacturing must depend on the resources available and the supply of raw material. We have the raw material in abun-

dance in western Canada and many different types of industry could be founded on it.

I want to make it clear we do not mind paying an additional bonus to help the east out. On occasion they have helped us out; but we do want to make sure our money will be spent wisely. When he replies I hope the minister does not refer to the speech made by the hon. member for Northumberland, which was a very general, rambling sort of contribution which did not deal with specific instances or give details of the things that should be done. Instead I hope he will deal with this question of direct assistance to manufacturers.

There is one other comment I wish to make with regard to the anti-American segment of the bill. We in western Canada have been dependent upon American capital to develop our resources. I do not suggest this is an exceptionally good thing, but if it had not come in it is very doubtful whether these resources would have been developed to the extent they have been. We want to be sure that this capital will still come into the country. Of course we would like to see American subsidiaries have some Canadian content as they develop, but we do not want to scare them out because we need their capital for development.

Rather than take a negative attitude by increasing the tax on American money, the government should provide some incentives for Canadians to put their own money into the development of Canada. The positive approach would give us better results in the long term, and I hope the minister will give us some answers in that respect. I also hope he will take into consideration, in his financial manoeuvrings over the next little while, that we in western Canada also need some incentives. We are just a young developing part of the country and we want our own industrial complex to provide the jobs which machinery is now taking away from our workers, particularly in the agricultural field. It is just as important to prevent areas becoming designated areas as it is to help them once they become designated areas; and I hope the government will take into account the very important old theme that an ounce of prevention is worth a pound of cure.

**Mr. Gelber:** Mr. Chairman, Napoleon said every private soldier had a marshal's baton in his knapsack. I suppose every private member has a budget inside his coat pocket, which means that there are probably at least 265 varieties of budgets in this house. I should like to say a word in preface about some of the remarks which the Minister of Finance made in his budget speech. It was an important social document. The Minister of