

Ontario. I think this applies pretty well across the whole of Canada. The people in the north are subsidizing the people in the south by giving them an equalized rate on power and gas rates, etc; and this occurs not only in the north but in the west. We do not get a preferential rate. Ordinarily, if it was not an artificial control, we would have cheaper power than the people that are further away from the source, and yet we do not have this cheaper power.

Well, I have not gone into this, but I think these figures could easily be applied. The cost of the new high voltage lines is running into the billions in Canada, not only in Quebec hydro but in Ontario hydro as well, and Manitoba hydro are developing high voltage lines at a very great cost to transport our power from the north for the benefit of the people in the south, and rightly so, but possibly not at an equalized rate. If we are going to have equalized rates and do the subsidizing, then I think we should not be ashamed to say that we should receive a subsidy in some other form to compensate for this.

In the armed forces and in banks, and so on, over the years there has been what is known as isolation pay. This is what it is called in the American Army and I believe in the Canadian Army as well. The banks pay their tellers more in Kapuskasing than they do on Yonge Street because they are isolated.

Mr. O'KEEFE: We are isolated in Newfoundland, as well, you know.

Mr. KILGOUR: Apart from that first hundred miles of development, everybody else in this country is isolated. I do not call it the badlands, I call it the borderlands, and I think we can be proud of our development along that border of Canada, but we must be prepared to develop further north. The Russians and the Swedes do it; why cannot we do it? Cochrane is considered to be situated in the northerly portion of northeastern Ontario, and yet few people realize that Cochrane is no further north than Winnipeg and it is quite a bit further south than Edmonton. We are not taking advantage of this fact, and perhaps this is a matter that should be given more publicity and promotion.

Rather than designation, I would like to suggest—and I throw this out as a starting point—that we allow those people north of the first hundred miles of the borderland, and any industry producing other than prime products, a 15 per cent tax cut across the board. I do not mean that it should be given to INCO or to Texas Gulf—as illustrations in our area—but any person who fabricates or produces products other than prime products be given an isolation grant of possibly 15 per cent on income tax, corporation tax, sales tax, etc. We are at a disadvantage in that we are presently subsidizing the south in certain respects, and I would like to hope that possibly the next hundred years will be used to develop another hundred mile strip across Canada.

The president of Rambler Motors mentioned in the car coming down last night that Canada is a strip 100 miles wide and 3,000 miles long, and I do not think this situation can exist very long in the world today. As Mr. Cram said, we benefited greatly by taking the bull by the horns—if I can mix a few metaphors—and putting a railway from coast to coast to insure the foundation of Canada, but I think that we should now take the bull by the horns again and create a little production in the north.

The CHAIRMAN: Thank you, Mr. Kilgour. Mr. DelVillano, do you have any comments to add?

Mr. LEO DELVILLANO (*Vice-President, Northeastern Ontario Regional Development Council, North Bay, Ontario*): Yes, Mr. Chairman. First of all, I would like to