

*Economic Rehabilitation*

hon. member for Victoria, B.C. and the Minister of Labour. We had a suggestion by the hon. member for Cape Breton South that a public investment fund be set up. This does not appeal to me, because I cannot see putting any money into an area to set up an uneconomic crown corporation with all the ills, problems and strife that accompany such a development. I think we would have to come in and take a little more indirect action before the point can be reached where your public investment fund would work properly.

The hon. member for Digby-Annapolis-Kings suggested that we should develop an over-all Canadian economy. I agree, but what bothers me about such statements is that they are so general in their concept that no hint is given as to how it can be done. That is what we are talking about. We are endeavouring to discover methods how an over-all Canadian economy could be developed, and we need concrete proposals if we are to accomplish anything.

I would set out a 4-point program that we could study, and this is in conclusion. My first point is taxation policies. Taxation policies have a terrific impact on the development of industry. They have the greatest impact of any governmental activity. Take the corporation tax, at something like 47 per cent. Obviously, as the corporation tax is changed corporations will or will not expand or contract, as the case may be. We can provide special tax concessions, and we have done so in gold mine depreciation write-offs, in the oil industry, for example, and in freight rates. We do have some freight rate subventions in the maritimes. Perhaps that needs overhauling. Perhaps we need to take a good look at it. Taxation along that line would be a very good thing to follow up.

We have our dominion-provincial tax agreements, which endeavour as far as our fiscal policy is concerned to spread our income more evenly across the whole country so that areas such as the maritimes do get a more equitable share of the tax revenue of the federal government. This surely must be of considerable help to the maritime areas.

I have not time to canvass taxation policies thoroughly, but I do think that a great deal of thought should be given to the impact that changes in taxes and new concepts of taxes can have on the development of industry.

My second point is industrial research. We have research going on in atomic energy. Think what a difference it will make to the maritime power resources when atomic energy is available at a cost that can compete with the cheapest form of energy existing at the present time. Why, it would mean

a great deal to the base metal mines in New Brunswick, for example, if atomic energy were available at the present time in New Brunswick. Of course research along those lines must continue, and it must be emphasized a great deal more.

I was pleased to see the Atlantic provinces economic council set up, which is a form of research of the best kind, because it takes a positive approach to the problems of the maritimes. It is endeavouring to encourage private industry to come in; it is trying to make the best of the resources they have in the maritimes and in the other Atlantic province of Newfoundland. The council is seeking to revive agriculture, to survey power resources, to make the most of what is there and to encourage a bigger and better tourist trade. These are all positive approaches that governmental bodies can make.

My third point is that there must be a positive effort by the local and provincial governments to promote industry. You can sell industry. The town of Renfrew, which was dependent on textile mills, was in bad shape; yet through some very aggressive and imaginative action by the local council, and I must say the province, they were able to establish an electronics industry which recently opened its doors in Renfrew and is going to employ more people than were previously employed by the textile industries there.

The hon. member for Cape Breton South mentioned cement. They have all the ingredients for making cement in the maritimes; they have all the ingredients for manufacturing bricks and other building materials. They will have a cheap seaway to central Ontario, to the area that is crying for building materials of this kind.

My fourth point is information service, the handling of inquiries from foreign countries. How do we handle these? Where do we steer them? Do we encourage inquiries about the areas that most need the industry? Included under this heading are our technological services and information that mapping survey work provides, and of course information provided by our national research council, which should be emphasized more. It should be pointed out to business that this information is available.

I have had time to scratch only the surface of this problem. In my opinion, Mr. Speaker, there is a great deal to be done under these four heads to alleviate the particular problem with which the resolution deals.

At six o'clock the house took recess.