

Income Tax Act

Canadian investment. Should the minister be successful by this gentle urging through the withholding tax in having some of these corporations become public corporations, it will open up a very important area for investment by Canadians in Canadian industry.

It seems to me that more can be done to encourage investment by Canadians in Canada. We might take a look at our succession duties and do something along the lines we did some years ago when we gave a 20 per cent income tax benefit. We might give a differential benefit in succession duties to encourage Canadians to hold Canadian equities. We might take a look at our taxing policies in relation to insurance companies in order to encourage greater investment of their portfolios in Canadian equities.

The budget has made important steps in the direction of making the economy of Canada more buoyant and more balanced and giving it the direction and leadership which it requires. In the legislation before us today we have new and important directions in Canadian policies which I believe entitle the minister to the support of the house.

Mr. Fisher: Mr. Chairman, I suppose the Minister of Finance is aware that because a point of order was raised when he was speaking on the amendment to the motion for second reading of the bill and because of the tremendous spirit of co-operation that existed in giving second reading to the bill, we really have not had from him the complete review at the second reading stage that some of us had perhaps anticipated. Therefore I would hope that in the relative freedom of the committee he will take the opportunity to do something about it.

I might comment, Mr. Chairman, on how delighted I was to hear the generous spirit expressed by the hon. member for Jasper-Edson. He may remember that a number of years ago the C.B.C. had a satirical program on the various crests and mottos in different parts of the country. The Ontario crest was the three gold balls of the pawnbroker on a black velvet background with the motto, *semper non vaca*, which meant in substance: We are no milch cows for the west. It seems to me that the hon. member should be advocating something along the same line, some kind of golden cornucopia overflowing with wheat in red on a white background. I do not know what motto I should recommend to him, but certainly the generosity of spirit he displayed is the kind of thing that warms the hearts of all of us in Ontario, particularly those of us in areas of Ontario through which the grain from the west passes.

The point I want to speak about relates to something that has been beaten pretty hard,

the question of incentives. I should like to be able to accept, with the grace with which the hon. member for Northumberland gave her analysis, her appraisal of what were the weaknesses of the present set-up for determining designated areas. I think this is one of the sloppiest bits of designating that one can imagine. I am not blaming the minister and I am not blaming the new Minister of Industry. It really relates to the weakness of the federal organization in the statistical and economic field.

We have the dominion bureau of statistics. We have the economics and research branch of the Department of Labour. We have certain statistical work being done in the Department of Trade and Commerce as distinct from the bureau of statistics. Yet in none of these agencies have we really had any concentrated work upon the problem that is involved in determining designated areas.

I can give some excellent examples from my own region to point out the injustice of this particular kind of designation. I would fasten the blame, and I think some blame should be fastened, on the people who were in charge of the Department of Labour in the past, including the senior officials and the minister, for their failure to give the economics and research branch an establishment and directives to go out and collect the information. There is a certain irony in the fact that the best series of statistics and the best analysis we have had of the whole problem were provided by the Senate committee on manpower a couple of years ago. Much of the material was ad hoc to the situation at that time, and this body of material which was established seems to have faded away. At the present time we have a crash program in the Department of Labour to try to meet the situation. The Minister of Industry and his deputy are recruiting as quickly as they can a whole group of people to undertake the assignments set out by the act in the determination of the national effort of area development. When you look at the formula which has been developed here for designated areas, they have nothing to start with in terms of a really precise or flexible economic tool.

I should like to give a couple of examples to show this in relation to my own area. I would argue to both ministers involved—there is really a third minister as well, the Minister of Labour—that the age composition of an area's population is a much more important factor to be considered than just the number unemployed during the summer months. It seems to me that what we want to be concerned with in addition to age composition and the resultant number of people who will be going into the labour force is the