

*Supply—Industry*

the hon. member for Waterloo South. I have had excellent co-operation and so have the people from my area who have come here to inquire how industry can co-operate with the Department of Industry and what facilities are available. In fact, I hope within the next month to be able to set up a meeting at Peterborough for members of the Department of Industry, members of the National Research Council and the business people in Peterborough. At this meeting we will discuss exactly what the department and N.R.C. are able to provide by way of assistance and guidance to my people. I had no problem at all setting up this meeting through the Department of Industry. I have had complete co-operation.

As I have said before it may be that we as members are going to have to take the initiative. There are those who say it is the minister's job to go to Peterborough and tell the people in industry what assistance is available from the government, but it seems to me it is far more my responsibility to be doing this. Perhaps communications can be improved if we as members take some of the responsibility upon ourselves.

In his opening statement the minister discussed what the department had done. I feel that it has not only done a great deal of work but has taken a number of important initiatives, and I do not say this simply because I happen to be on the government side. I think, for instance, that the concern the department has shown for the level and quality of industrial design in this country is most important. I believe this concern is also reflected in the program worked out to assist in research and development in this country, which is most important. The Department of Industry seems to be subjected to a certain amount of criticism, but in any assessment of the department it seems to me careful consideration should be given to inroads made into areas which traditionally have been backwaters in this country.

Industrial design has never been a subject of great pride in this country, except possibly in the engineering field. We have reason for some pride in that area but in other areas we are very weak. In so far as research and development undertaken by Canadian industry are concerned, we are in a very serious position. This subject has been discussed before. Figures released by the Department of Industry show that in the major industrialized countries the following percentages of gross

[Mr. Faulkner.]

national product have been devoted to research and development: United States, 2.8 per cent; United Kingdom, 6.2 per cent; Sweden, 1.7 per cent; Japan, 1.3 per cent; and well down the list comes Canada with 0.86 per cent. This is a most serious problem.

I believe it should be recognized by members on both sides of the house that the Department of Industry has in fact established programs to encourage and assist industry to get into the field of research and development to a much greater degree. I should like to commend the minister for the work he and his department have done in this field.

Having said that, I should like now to go to a particular problem which might be considered peripheral to the estimates of the Department of Industry. Since the minister is concerned with our manufacturing industry there is one problem I should like to bring to his attention. He will no doubt have to work with the Minister of Trade and Commerce in order to find a solution. However, in so far as he is directly responsible for industry I should like to draw his attention to this problem.

In my area the largest single employer is the Canadian General Electric Company which employs 5,000 to 6,000 people in the Peterborough area. It is in the heavy electrical apparatus business, along with a whole range of other lines. In the immediate past there have been two major contracts for heavy electrical equipment, namely, the Hydro Quebec 735KV transmission project and the British Columbia Peace River project. These are both major Canadian projects. The products involved in the Hydro Quebec project were transformers and circuit breakers. These were items which Canadian General Electric was involved in producing. Total business for suppliers on the Hydro Quebec project amounted to \$24,500,000. Of the total business placed Canadian General Electric obtained 50 per cent, Sweden received 23 per cent, 10 per cent went to England, 8 per cent to Switzerland, 7 per cent to Belgium, and 2 per cent to France.

In so far as the Peace River project is concerned the products involved were generators, circuit breakers and transformers. Total business placed in the year 1965 was \$24,380,000. Of that total the business placed in Canada amounted to 46 per cent. The business placed overseas was as follows: 15.5 per cent in Japan, 12.7 per cent in England,