

Government Organization

taxpayers of this country millions and millions of wasted dollars during the life of the Liberal government. It is a process exemplified by the figures produced recently in connection with the *Bonaventure*, the hydrofoil project and other things of that kind. People have been wondering for some time why this government has not been able to balance its budget, despite the fact that the Minister of Finance has told us many times that this is his intention. It is because the government is overspending; it is because things of this kind have been getting out of control. I rise simply to call attention to a few of these facts; I do not intend to take up any more of the committee's time.

• (9:30 p.m.)

I end by urging the government to get on with the job it was elected to do, the job of running this country efficiently. I am glad to see that the government has seen the error of its ways in 1963 when it split industry, trade and commerce. This the government should never have done, and it has cost a great deal in the form of wasted taxes and wasted time and energy on the part of the business community of Canada. I urge the government to cease any further effort it might have in mind with regard to similar empire building and to stop wasting taxpayers' money, as was done in this case. The government should start paying attention to the needs of the country and manage the economy of the country in a sane, economic and practical manner.

The minister has my very best wishes. He has the best department in government. Now that these departments are together again, the merged department can do a great job for this country. Certainly, it did a great job in the past. The department was largely made what it was by the late C. D. Howe, a great Canadian. It has great personnel of great ability. I am glad to see both industry and trade and commerce together again. They should never have been parted. Let the department now go ahead full steam. I think the minister can do a good job—I hope he can—and he has not only my best wishes but I feel sure the best wishes of the members of this house.

Mr. Saltsman: Mr. Speaker, we have been gathered together tonight to join together or, rather, to effect a reconciliation between industry and trade and commerce. I feel somewhat like the unwelcome guest when the minister says "Whosoever has reason". I have reason. I think it is a mistake to put industry and trade and commerce together. While the

new minister is making like the father of the bride, I should like to bring some matters to his attention.

To begin with, I assure the minister of my most sincere hopes that some of the fears I have about the new union will not materialize. However, real problems are involved in putting the two departments together. In order to understand those problems I think we have to go back to 1963 and try to understand why the government established a new Department of Industry.

It may be easy enough to dismiss the creation of a new department as a repository for people to whom some political obligations were owed. However, I should like to feel there were sounder reasons for the establishment of this department. The Prime Minister of that day expressed it in these words:

—we have to accept the fact that manufacturing industry, secondary industry, is the source from which the new wealth and the new employment must largely come.

Further on, in introducing the new department, he said:

Our aim today cannot be simply to build up industry, any kind of industry in a general way, by general action. Canada's need is for industries that will thrive in the modern world, industries that will fit into the new patterns of international trade which are now emerging and to which we will have to adapt ourselves.

There was a recognition at that time that the future of Canada lay in the development of its secondary industry. Perhaps people sensed there was a conflict between secondary industry, primary industry and the Department of Trade and Commerce. Traditionally, the Department of Trade and Commerce had a fish or fowl attitude. In other words, "Let us export raw materials as rapidly as we can". The very fact that only \$1.5 million were allocated in the department to the service of secondary industry is an indication of the downgrading of manufacturing in this country within the department.

It is very difficult to serve two masters, and I suggest that exporters of raw materials and manufacturers of finished goods have somewhat different terms of reference and different outlooks when it comes to what should be done to develop their industries. For example, let us take a look at our tax system. It is obvious that our tax system was designed for the exporters of raw material in this country. Secondary industry has largely been ignored. As the Carter commission pointed out, almost all of the incentives have been given to those