

*Supply—Industry*

the centres where these industries are located, will give us a more economically viable and a stronger textile industry which will look to the future and which will provide a sufficient and increasing number of productive jobs, following the recommendations of the Economic Council of Canada.

I think that this request for a realistic and well defined policy by the textile industry is justified and should be supported by the government. I am confident that the present Minister of Industry and Trade and Commerce (Mr. Pepin) will comply with this request as soon as possible, in order to allow the textile industry to develop economically and to participate in the development of our country.

Mr. Chairman, I have several other comments to make on this subject. I shall have the opportunity to come back to it another time, and I will only insist tonight on the implementation of a planned long term policy in order to allow this industry to plan its programs ahead of time and to develop. I am confident that the present minister will comply with this request.

• (8:10 p.m.)

[*English*]

**Mr. Pepin:** Mr. Chairman, I would like to make a number of comments on the ideas brought forward in the short debate we have had. First, the hon. member for Wellington talked about the department, past, present and future. I think we agree that industrial production and export promotion should go hand in hand and consequently should be under one department. I do not think we have time to go into the question of why the division took place between "Commerce" and "Industry" in 1963. I sometimes say that the whole thing was planned in order to give more importance to "Industry", so that a marriage could be performed between two activities of equal size and equal maturity, but I do not know whether that is an explanation. Why "Industry Trade and Commerce" was given as a heading in the estimates book is still a mystery to me. I regret it, for the two departments are still separate. They may have found ways and means to work together until the legislation comes about, but as of now the two departments are separate entities.

The hon. member referred to internal, fusion troubles in the department. A task force was created, as he knows, to study the problems and present recommendations.

Boards were formed to determine who were the most qualified people, and in cases of uncertainty people were given the opportunity to state their case. I believe—and I hope I am right; I have checked—this was done with a minimum of pain. But it is possible that some people felt injured. However, I think the hon. member would agree with me that it is not easy to carry out such a merger without a few sacrifices being made and encountering a few difficulties. I believe the difficulties have been reduced to a minimum and that individuals involved were treated decently.

The hon. member had a lot to say about the automobile agreement. He said, mainly, that the automobile pact was mostly advantageous to U.S. subsidiaries in Canada. He did not put forward how he would have done it. Would he have preferred the government to take over? If so, I would remind him of some of the difficulties associated with such an operation. Nevertheless he and the hon. member for Winnipeg North were very generous in recognizing the progress that has been made in regard to production, exports, productivity, employment, and so on. My philosophy is that politics, as Burke says, is a choice of inconveniences. In this case I believe that the advantages were very, very much more on the side of the automobile agreement, and I believe the Canadian interest has been well protected in this pact.

The hon. member for Wellington also said that a great number of small companies were put out of business. I inquired immediately of the department and was told this had occurred in only two cases, and that in fact most small companies have expanded. I am told by a number of people on all sides of the automobile business that any parts company that has a capacity is now completely absorbed and is handling as much business as it cares to or can handle. I have checked on these matters. If the hon. member knows of some cases where this is not true, I would be delighted—as I did on one occasion for a small plant in my riding—to bring it to the attention of those concerned, so that if at all possible a remedy can be found. However, I am informed that this is not the case. The bulk of the government loans has been made to small companies in order to help them expand. This then is the general pattern.

The hon. member for Wellington also said that imports have increased. I think I mentioned this too, but to be absolutely scientific I would say that exports have increased 2,592 per cent and imports have increased 1,381 per