

Supply—Defence Production

rather is purchased from agents of paper companies after it leaves the pulp and paper mills. Even that primary product is not purchased by the department for the needs of the government.

I am very surprised at the attitude of the hon. member for Renfrew North in agreeing to the closing down of the plant. When the plant closes down at the end of the contract two years from now, as no doubt it will, it will likely be integrated into the over-all operation of Bartaco and its principals and there will be no further need for the development of these castings. The money they have made will go into the amalgamation of the whole operation and little consideration will be given to the people in north Renfrew who will be laid off.

I think the hon. member's attitude is very shortsighted and is limited to taking advantage of the present opportunity. I suggest to him that he reconsider his attitude and become more concerned with the development of a number of plants in the area with the assistance of the government. I am very familiar with the difficulties several of these plants are facing and the fact that the low wages of the people in this area are the only thing that has made it possible for a large number of the plants in Renfrew to stay in operation in towns such as Arncliffe, Pembroke and adjacent communities. Were it not for the fact that the wages of these people are 40 or 50 cents below the provincial level these plants would not be able to stay in operation. I suggest that the subsidization of these plants by the workers is not the correct method of keeping the plants in production.

It would be my wish, and perhaps the wish of other members of the house, that this matter be referred for study to a standing committee of the house. I do not disagree with the minister's policy in this respect but I doubt that this is the kind of operation in which the government should be involved. I have not had the opportunity to ascertain why this plant was started 40 years ago but I surmise that it operated for a number of years under the Department of Defence Production for the purpose of manufacturing specific commodities.

I am familiar to a certain extent with the difficulties in the production of aircraft faced by Sperry of Ottawa and a number of other plants in the Ottawa area. I am aware of the fact that these companies were subsidized to some degree and that they have continued to receive subsidies since they have ceased

[Mr. Peters.]

major production of aircraft. I am also aware of the operations of the de Havilland company and the fact that the company's operation in Toronto was developed for the purpose of building the Avro Arrow. When that program was scrapped, we not only lost an industry but we lost the potential ability to develop an aircraft industry. In my opinion we had a sufficient number of engineers in Canada. For a number of years I was in the ferry squadron in the air force. We had types of aircraft which were flown by the United States and British air forces and I had an opportunity to see the inside and the outside of those planes. I am of the opinion that no other plane flying at that time could have outclassed the Avro Arrow. We brought the best people from England and we were able to encourage them to come here and build the basis for an aircraft industry which should have put Canada in the forefront.

We are all familiar with the story of Avro Arrow in which both fact and fancy are involved. There is no point in going over it. The fact is that we lost an industry and the potential for an aircraft industry.

The same is true of the shipbuilding industry. It is interesting to note—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Mather: Mr. Chairman, the consideration of the estimates of this department gives us an opportunity to comment on the expenditure of very large sums of money. How significant some of these sums of money are was very well summarized in the leading editorial of this morning's *Globe and Mail* in which it was pointed out that the four new destroyers the department has on its drawing boards will cost some \$200 million or, as the paper says, about \$50 million more than the Minister of Finance hopes to raise by the recent 3 per cent surtax on personal and corporation income taxes. This is certainly a very significant sum of money, particularly in the light of the urging by the same government which proposes to spend it that Canadians use restraint in their own spending. Can you imagine the reaction of the working people of Canada, the pensioners or, for that matter, the business people, when they learn that the government which is asking them to "cool it" proposes to spend some \$200 million on what I believe to be questionable vessels of war?