

*Government Organization*

a salesman. If I had not been here in the house I am sure many hon. members would have believed this was a brand new department and that the hon. gentleman was leading a brand new crusade.

However, as all who have had some connection with this department know, until 1963 the Department of Industry was in fact the industry section of the Department of Trade and Commerce. As any businessman in Canada will tell you, this industry section did an excellent job by helping industry to lower costs and improve design and quality. It helped industry greatly to make sales not only in Canada but in the export market. As we know very well, and as the minister stated tonight, the sections of industry in Canada which produce for the export market and those which produce for the domestic market are substantially the same. Industry produces primarily for sales in Canada. Then, it discovers there are possibilities for selling a product abroad, and it sells in the export market as well.

Prior to 1963 when the government saw fit to create a new department and split industry apart from trade and commerce, businessmen who came to Ottawa seeking assistance in developing production methods or in selling their products abroad went only to the one department. This was very convenient, and the department was laid out in such a way that they could find their way round easily and get the answers to their questions in a very short space of time.

Then, Mr. Chairman, as you and I know very well, the Liberal government was elected in 1963. It had been out of office for six years and it had a great many political debts to pay. It was looking for some way in which to provide good jobs at high salaries for people who had been helpful in the past. So, the Liberal government of that day decided to obey Parkinson's law by creating two departments to take the place of one department which had up to that moment been doing an excellent job. Ask any producer in Canada about the kind of job the Department of Trade and Commerce had been doing for producers and sellers, and the unanimous opinion, I am sure, would be that it had been doing first class work.

Let us try to figure out what this bold venture dreamed up, I believe, by Walter Gordon and acceded to by his colleagues has cost this country in the meantime. In 1963—and I am familiar with these costs because I

[Mr. Hees.]

submitted them to the Treasury Board myself in that year—the outlay for the industrial section of the Department of Trade and Commerce was \$1,500,000. It is difficult with the figures presented by the government in the meantime to sort out exactly how this total increased, but it is obvious that even taking into account expanded operations, and the fact that salaries do increase year by year in this and every other country, the cost of doing the same job today by the Department of Industry in the same fields as those previously covered by the industrial section of the Department of Trade and Commerce has risen astronomically year by year.

I have gone over the figures and I am confident that this experiment by the Liberal government in 1963 in splitting two departments which should obviously have remained together has cost the Canadian taxpayer at least \$50 million which should never have been spent. Indeed, the cost could easily be a lot closer to \$100 million. The increase in staff was fantastic, and any businessman in Canada would tell you that this increase only served to make his communications with the Department of Trade and Commerce and the Department of Industry from then on about the most complicated process that a human being could imagine.

After the separation of these two departments which, as the minister eloquently pointed out tonight, belong together and always will, businessmen spent hours and days going from one department to the other trying to find out from various civil servants who looked after what. I have been told that going into these two departments was far worse than entering any maze. This is why the government has finally decided to correct the colossal error it made six years ago by bringing industry, trade and commerce back together once more. It is taking this action because the producers of this country have demanded that the government cease this nonsense they have had to put up with for the past six years, and straighten out the maze through which they have been trying to find their way. They have demanded that the government bring industry, trade and commerce under one roof again, working together under one minister, not at cross purposes, not spread out all over Hell's half-acre, but constituting again one comprehensive department. The minister knows this very well, as does every businessman in Canada.

The operation I have described is typical of the kind of foolishness which has cost the