

*Supply—Defence Production*

One of the problems in this regard is the very thing that the minister said caused the demise of this plant, namely, our grave inability to supply entrepreneurial acumen. I have heard people in northern Ontario talk about what they would do if they had \$1 million to invest. There are in my part of northern Ontario hundreds of millions of dollars which could be invested. They play the stock market every day with that kind of money. The town next to the one from which I come at one time during the depression had less than 2,000 inhabitants but 13 millionaires. So the people of Haileybury could probably put up an immense amount of capital to build plants provided personnel were available to decide what types of industry were best suited to the area and to operate them.

In my opinion this is what is wrong with the area development program. We do not know what we have to sell and we would not know how to run the business even if we could sell the product. We therefore follow the old practice of establishing industries in major cities where there are closer and more extensive markets, and the small plants in the hinterland fall by the wayside. If this plant served a purpose for the Department of Defence Production, that purpose is probably as useful today as it was in the initial stages.

Under the National Research Council there are a large number of projects which will be brought to fruition if plants and trained people are available. I remember listening not long ago to the national research people talking about this very problem. They said they had developed a particular process that they thought was a "first" in the world. They looked around for people to operate in the field but had to get American companies to operate the project because no Canadian company would do so.

• (3:40 p.m.)

There are still free enterprisers in the government. There are free enterprisers in the minister's department, because I am certain that the whole operation of the area development program is carried out on a free enterprise basis. We are giving assistance in this field. But I am sure there are also other people who are shocked at the fact that so much interest is shown in closing down crown corporations when the obvious need for them has disappeared. Everyone can remember when the Polymer corporation went around asking various rubber companies to take over their operation. I understand that Polymer was offered to the Firestone company for \$1 after

the war. If we had 100 Polymer corporations the Minister of Finance would now have less difficulty in balancing the budget because this corporation is making an unusually large profit. Its operations have been of advantage to Canada because the company developed a totally new process for making synthetic rubber which is being used in many countries and is of great potential value to us.

I am not too familiar with mouldings and castings, nor do I understand why the Haley plant found it necessary to tie itself to the production of a particular aircraft engine. But I do think that the Department of National Defence should decide that a certain amount of business should be directed to this plant, and I suggest that if this is not done now the Bartaco company will not be successful.

It seems to me that the hon. member representing that area should forget about his desire and the desire of the department to establish a free enterprise operation and should think in terms of the development of an industry in his area which will have the effect of bringing about secondary industries around the primary development. Obviously castings must be used on something and for something, and they create a demand for raw materials. A plant which would use the raw materials available in the area is sufficient justification for its existence. If the whole machinery of the Department of Defence Production cannot be directed toward developing this plant to meet the current needs of the department, then I think the department has failed to justify its usefulness.

I do not know whether it was ever intended that the Department of Defence Production should enter into manufacturing. I am aware of the buying potential of the department, not only for the Department of National Defence but for all departments of the government. However, the Department of Defence Production has never really looked at industrial development in Canada in terms of the distribution of the Canadian potential and Canadian needs. We have purchasing needs in Canada, and I do not think that the sole responsibility of the Department of Defence Production is to do the purchasing. Its responsibility lies also in the distribution of the purchasing all across the country. So far as the part of northern Ontario which I represent is concerned, I suggest that the Department of Defence Production makes no purchases at all from primary producers there. None of the paper which the department purchases comes from primary producers but