

Supply—Defence Production

• (3:30 p.m.)

Let me refer to an operation in my area as an example of what I have in mind. There has been a large foundry in my area for some time. It was developed some 25 years ago under the aegis of the British government. A young engineer was sent out from England to look after the Wabi iron works. He was sent out on the basis of either making the plant a paying proposition in two years or closing it down. He came out, looked at the foundry and decided it could be made a paying proposition. Through some managerial arrangement he eventually became the owner of the plant and it developed into one of the largest foundries in Ontario.

The aging of the plant and other considerations led him to decide to sell it and he did so to Canada Foundries (Wabi) Limited. For 25 years the plant operated in the foundry business on a full time basis. Very seldom was there a lay-off at the plant. If there was a lay-off it was always occasioned by a changeover in the operations of the plant. Continuous employment was provided for the people working at the plant. When it was sold this year Canada Foundries took into consideration their over-all operation and decided that they had to lay off people somewhere. Where did they lay them off? They were laid off at the Wabi plant at New Liskeard. For the first time in the operation of the plant most of the employees were laid off on a short term basis which stretched beyond what was anticipated in the initial stages. There is now some doubt about the efficiency and continued operation of the plant.

I also draw to the attention of the hon. member for Renfrew North the fact that we had in New Liskeard a pea-canning factory. Northern Ontario, particularly the clay belt of Timiskaming, produces the best peas in the world. Our peas have been exhibited at the Toronto Exhibition, the Royal Winter Fair and the World Exhibition in Chicago. We took top honours for the production of peas and therefore I can safely say that we grow the best peas in the world.

That plant had very good sales in the limited field in which it operated and this came to the attention of Canada Packers because of competition. Canada Packers bought the plant and within two years shut it down. They did not close it down because the plant was necessarily antiquated, although they said it was. They did not close it down because of its limited production which was serving a need. It was not closed down because we did not

[Mr. Peters.]

have the best product on the North American continent but simply because the plant did not fit into their trading pattern. It did not fit into their corporate practice.

I suggest that the hon. member for Renfrew North is very shortsighted if he does not consider what has happened in other areas and does not realize that private industry is in no way capable of taking advantage of dealing with the Department of Defence Production to the extent that a crown corporation can. We have an obligation to the people of Renfrew North. We established a crown corporation plant in the town of Haley. It is true that the plant is not right in the town but the town of Haley exists only because of Haley Industries. It is situated on a railway and is a small community. Its only purpose is as a shopping facility for those employed at Haley Industries and local farmers.

The employment picture of the people who live there and have been trained there has been presented to us. It appears that most of the employees can be considered permanent and have served with the company for some time. It seems to me that we have an obligation to keep the plant in operation.

The minister is also in charge of the area development plan. He is the minister responsible for the development of secondary industry in areas where such industry has not been provided. It seems to me that a changeover from a government operated plant to one operated by private enterprise is a step backward, not a step forward. I challenge the minister to rise and say that anyone has challenged the deficits which Haley Industries has had over the years. It was not aware that it had been a crown corporation.

Mr. Drury: It was not.

Mr. Peters: That is a debatable point because I am of the opinion that it had the same kind of relationship enjoyed by crown corporations. As I understand the definition applied to Polymer, for example, would apply in much the same way to Haley Industries. However, that does not matter to my argument. I may be wrong semantically.

I make this argument not to the minister but to the hon. member for Renfrew North. The crown took this step because of necessity, not because of any desire to become involved in the establishment of plants. I am fully aware that if there are to be new plants in northern Ontario or Renfrew North they will have to be sponsored by the crown and receive assistance from the crown.