

Establishment of Industry Department

planning with regard to water development, a development so vital to the needs of industry today.

This situation provides another reason why the government and the proposed department of industry should work in close liaison with the provinces with regard to all these matters. We have seen, recently, the introduction of a resolution to establish a municipal loan fund. The resolution before us seeks to establish a department of industry. Yet there has been very little consultation with the provinces on either of these projects. I think the government would be wise in both cases to take time out to consult with the provincial authorities in every province and to convince them that their collaboration is needed with regard to these resolutions.

I think in establishing a department of industry one of the basic principles should be that of working toward a decentralization of industry. Many of our town planners today will tell you that once a city reaches a certain size, say a population of 300,000, it becomes inefficient in its operations. I just use that figure, which I think is the figure generally used by city planners. I think this is a basic principle which a department of industry should take into consideration. It should work toward a decentralization of industry, because we all know the difficulties in some of our larger cities. For instance, there is the problem of the people in those cities getting to and from work.

I shall be looking forward to this bill when it is presented to the house, to see how close will be the liaison between the department of industry and the industrial development bank, for example. Will the industrial development bank be shifted into the department of industry? I think if we are to have a tied-in relationship, it might be more feasible under a department of industry, if one is to be established. Some years ago the Farm Credit Corporation used to be under the Department of Finance. Since we have moved that loan board to the Department of Agriculture I think there is no question that it has done a much more efficient job; it has lent money to farmers and tried to meet their needs. I think there is a similarity there in the establishment of a department of industry. The industrial development bank has stepped up its loans over the last year or two a great deal, and I think it could perhaps play a greater part and work a little more closely with industry if it were put under a department of industry.

Last but perhaps not least, I think the bill to set up the department of industry should include some long range planning with regard to water development. It should maintain industry already established, and in my recommendations to the government in establishing

this department of industry I would certainly advise them to take a good look at the lesson learned by the previous and present governments of Saskatchewan in their efforts to establish industry. I do not think that governments should spend the people's money in establishing industry and try to compete in a subsidized industry with industries already established. This was the sorry example in Saskatchewan and I do not think we should repeat it on the federal scene. I think much can be done with regard to providing information on the proper liaison between, and development of, our resources; in providing capital for industry to become established; and creating the proper climate for markets for industry, once it is established. In thinking of markets, one can think only of the trade policies of the last few years. We have seen a greatly stepped up trade program. We are now exporting more manufactured goods than ever before. We have arrived at a trade surplus which I think, through the aggressive trade policies of the former government, has aided industry generally. We have had export credit increased, and this all ties in with a department of industry, if such is to be established. While I question whether the setting up of this department is feasible, as I mentioned in my opening remarks, I should like to end on a note of support for the object and intent of this move, which is to create an improved employment situation in this country, and I hope that through close liaison with other departments this is accomplished.

(Translation):

Mr. Gauthier: In view of the introduction of the resolution to provide for the establishment of a new department of industry, I should like to put a few questions to the Prime Minister (Mr. Pearson).

As the Prime Minister said in his speech of Friday last that:

the functions of the new department will be to maintain close and practical contact with industry, to make sure that industry gets service from government,

—can we hope that our trucking industry will benefit from all those advantages, so that it can survive the giant competition of a crown corporation, the C.N.R.?

In fact, Mr. Chairman, the Canadian trucking companies represent a most important asset in our national economy. I even believe that that private industry employs more labour and puts more money in circulation than the C.N.R.

Think of all the service stations, garages and repair services, etc., which supply all those trucks. While the C.N.R. do their own