

Establishment of Industry Department

industry, to assist this firm in obtaining new contracts, especially one specific contract that is under negotiation with firms in the United States at the present time, in order that the people who have been laid off may be re-employed and the firm may have the buoyancy of employment that was so evident during the years when the former Conservative government was in office.

I have a few particulars which I should like to bring to the minister's attention; they came to my desk as the result of a question I asked earlier in the house. The answer came from a number of departments, but dealing with the work load provided by the Department of Defence Production I might say that in the year 1962-63 there were contracts available to this firm totalling \$1,843,000. Over the period from April 1, 1957 to the end of the fiscal year 1962-63 they totalled in excess of \$10 million. It was indicated in this reply that the value of contracts for the coming year is estimated to be \$781,000.

Certainly, Mr. Chairman, unless increased work is provided for this firm either through prime contracts with the department or through subcontracts with either Canadian or United States firms there will be a good deal more unemployment at this plant than is evident today. I hope the minister will go into this matter very carefully and endeavour to do his best to see that this firm gets a work load sufficient to provide work for the people who were employed by it.

I wish to refer to one other aspect that I consider the Minister of Defence Production or minister of industry will have to deal with. I refer to incentives for industries which are willing to locate in depressed areas. In this regard I might put on the record a few comments made by various cabinet ministers of today. When the present Prime Minister was speaking in Fredericton, New Brunswick, on February 27 he had this to say:

Adjustment grants for industries locating in development areas such as northwestern and east New Brunswick and its border and central areas should be provided because industry is so severely needed there. This cannot be achieved by "the free play of economic forces" but only through government intervention.

My question to the minister in this regard is, does this mean that he as minister of industry is going to tell firms in this country who wish to establish in various areas where they are to establish, as has been done in Great Britain? If this is so, what basic incentives are going to be offered to these firms to establish in an area other than the one where they might otherwise wish to locate?

I think we must also anticipate that when the Minister of Finance makes his budget speech later this day we will be informed

that new tax incentives will be provided to industries that are willing to locate in areas of high unemployment. I should also like to ask the minister a question related to a statement made by the present Secretary of State for External Affairs, who stated at Tecumseh, Ontario, on March 5, 1963:

A majority Liberal government would create a new department of industry to get new industries for all of Canada. "Such a department would get us rolling. It would examine various industries and get Canada back on the economic rail."

My question to the Minister of Defence Production in this regard is this. Just how much more of an increase in the gross national product does the minister anticipate we will enjoy in the year 1963-64 over that enjoyed in the year 1962-63? I should like him to inform the house how he anticipates that an increase greater than 8 per cent is going to be brought about.

An hon. Member: A new base.

Mr. Coates: It would be a new base, all right. If you can get half of 8 per cent you will be doing very well. If you keep tying up industry the way your boards are indicating they are going to tie it up we will be lucky if we have any increase at all. I should like to refer also to a statement made by the present Minister of Finance in Chatham, Ontario, on February 28, 1963 when he said:

Special tax incentives would encourage construction of new plants, expansion of old ones and location of industry in depressed areas.

In this regard I should like to bring to the minister's attention the fine work of the crown company in Nova Scotia known as Industrial Estates Limited, which has done such a tremendous job in locating industry in that province. Does the minister anticipate that his new department will supplement the work of this crown company in Nova Scotia, or is it going to take over the duties that have been carried out so efficiently by that corporation since the Stanfield government has been in office in that province?

I should also like to bring to the minister's attention the very serious situation that exists in the Joggins area of my constituency, where the only coal mine in that community has been closed and the people are in need of employment. If the minister could do anything to assist this community to get back on the rails, as one of his colleagues has suggested, I know the people would be more than pleased with such action on his part. I can assure him I will assist him in any way possible to bring this about.

I might also bring to his attention the situation that exists in the town of Springhill in my constituency, which in 1958 was left without any industry of any kind but which has been brought back tremendously