

*Supply—Industry*

which I hope to introduce in the house one day.

[*English*]

**Mr. Hales:** Mr. Chairman, I appreciate the minister's observations, though some of the points he made may be debatable. However, I do not propose to take time now to answer them.

I understand we are about to proceed to vote No. 1, but before doing so I should like to get clear in my mind the situation regarding the separate departments of industry and trade and commerce. I would ask the minister whether or not the minister of industry has been appointed, because if he has there is no salary appropriation for him in the estimates. The first estimates that were tabled—not the revised ones—for the year ending March 31, 1969, show an appropriation for the minister's salary. The revised estimates, however, do not provide for the minister's salary. Apparently we have a department without a minister to head it. Would the minister care to comment on that.

● (8:40 p.m.)

**Mr. Pepin:** It is very simple. You have a Minister of Trade and Commerce who is at the same time the Minister of Industry. As he cannot be paid twice by the Queen he receives only one salary, and from the Department of Trade and Commerce. You see, there are two departments and I am the minister for both departments. From that point of view I suffer from schizophrenia, but I receive only one salary for the schizophrenia from which I suffer.

**Mr. Hales:** Perhaps the minister could find out from his officials to what date the former minister of industry received his salary.

**Mr. Pepin:** He received it until he was transferred to his present position as President of the Treasury Board.

**Mr. Broadbent:** Although I found the minister's remark interesting he did not go into the question of the distribution of power within the ministry. At some future time I should be happy to hear him speak about the distribution of power within our economic system.

I notice the minister did not refute the points I raised; instead he said he could not find the quotation. I will repeat it. At page 31 of his speech to the Air Industries Association of Canada of October 9, 1968, he said, "Your interests are mine." Perhaps the minister may

want to look into that, since my copy of the text may be inaccurate.

I do not mean to quibble about points the minister raised; he said that society received undoubted benefits from some forms of military research and development. No intelligent person denies that; but my reply is, "So what?". I dare say the furnace industry in Germany benefitted from Hitler's experiments in the 1940's, but that is no justification for burning people. Similarly, I do not see where certain benefits from the research undertaken in fields of military technology justify the spending of millions of dollars for that research. From my reading and from my gleaning of facts I have learned that over 50 per cent of government moneys going into research and development promotion go into research undertaken for military purposes. The minister did not deny this purported fact.

My third point was that currently it is more profitable for industry in Canada to undertake research in military fields. Under existing laws the greatest benefits accrue to the kind of research that is carried out in military areas; those benefits are greater than the benefits accruing to research in non military areas. Since the minister did not deny that categorically I can only conclude that my arguments are substantially correct.

**Mr. Bell:** Mr. Chairman, I refuse to become confused by the minister's explanation of his responsibilities. At the moment all I know is that he has some over-all responsibilities in the field of industry, and that worries me. In one of his replies in this house he said that it has been made clear that no grants will be available to Saint John, Halifax and Fredericton until the new legislation is brought down. That is understandable, perhaps.

I note that the Area Development Incentives Act ceases to be effective on March 31, 1971. I also note that the Area Development Board to some extent is to be phased out. In any event, there is some doubt about its future. The minister cannot know about all this; certainly, that board has been a vehicle providing assistance to industry. The three entities, measures or bodies—call them what you will—that have been of assistance to industry in general are being transformed or phased out. It may be one or two years before something else that is concrete does the same job—we all know how long it takes to put legislation through this house. In the meantime I feel that the minister has the responsibility to say categorically that no industry in