

Government Organization

(a) to retain our Canadian domestic markets and our existing foreign markets and to gain new ones, we must produce at competitive prices goods which are in demand:

(b) to produce such goods competitively, we must win as many domestic and foreign markets as possible, so as to make economies of scales and of specialization.

In other words, to sell mining, logging, school and medical equipment on the Canadian market, we must also be able to sell it on the foreign market, so as to achieve competitive prices.

The integration in one department of Industry, Trade and Commerce is a way of recognizing administratively, if I may be allowed to use the expression, the vital relationship between industrial development and trade expansion. The rest of the reorganization will be in accordance with this basic principle.

Each of the assistant deputy ministers shall have both domestic and external responsibilities. Thus, the first assistant deputy minister, Mr. Kniewasser, whom many hon. members know well, will be responsible for management and coordination, both in Canada and abroad, in the field of industrial and business development. The assistant deputy minister responsible for operations, Mr. Head, will be in charge of administration and coordination of the nine operation "branches" of the department which, incidentally, include clothing and textile products. I imagine that this brings back memories to the hon. member for Prince Edward-Hastings (Mr. Hees). The nine branches are the following:

Clothing and Textiles; Chemical Products; Electricity and Electronics; Machinery and Materials; Agriculture, Fish and Food Products; Wood Products; Space, Marine and Rail Industries; and, finally, Motor Transport. They will be responsible mainly for promotion and consultation services with manufacturers, whether or not they are exporters. They will have to draw up and implement assistance programs for the area to which they have been assigned, in the light of studies they will make about the problems and possibilities of selling the products in question, in Canada as well as abroad.

The assistant deputy minister for external services, Mr. Mundy—who will also report to the first assistant deputy minister—will be responsible for the trade commissioners' service and also for the international defence programs branch. The experience of Mr.

Mundy's group, in matters of marketing abroad, will be made available to the industrial development pattern service in this country.

The assistant deputy minister of the commercial and industrial policy branch, Mr. Schwarzmann, will also have a domestic and external jurisdiction. He will be directly responsible to Mr. Warren, the well-known deputy minister, for the commercial policy especially for the negotiation of international agreements. But the direction of the advisory council on industrial policy will on the whole be under his jurisdiction.

Mr. Chairman, I could go on enumerating the domestic and external, industrial and commercial responsibilities of every senior official, but I will refrain from it.

[English]

These examples serve to illustrate the integrated approach, as I have just illustrated, which the new department intends to adopt in implementing the expanded mandate now being sought from parliament.

I should like to say a few words on tourism, for which the new department will also be responsible and which earns \$1 billion a year for our balance of payments. The intended departmental approach to the development of our tourist industries and the expansion of Canadian income from tourism also reflects an integrated approach, although these activities are to be identified as a separate program within the new department.

The Office of Tourism will comprise, first, the Canadian Government Travel Bureau, the promotional arm with particular responsibilities for attracting visitors to Canada. It has 24 offices abroad. The Office of Tourism will also comprise a branch devoted to the study of our domestic travel industry and its needs for growth and development to meet the requirements of the highly competitive international travel market; all this, of course, in the closest possible co-operation with the industry, the provinces and other federal departments whose activities are relevant to the development of the tourist attractions and facilities of Canada. Here again, the international and the domestic will be closely matched, closely linked. The supply will meet the demand.

May I now comment briefly on the need for industrial innovation and how the department is and will be helping it. A key responsibility of the new department will be to assist manufacturing and processing industries to adapt