

*Establishment of Industry Department*

to the establishment and encouragement of new industry will be one of the biggest problems to face this new ministry when it is set up.

Much has been said about the development of industry in Saskatchewan. We have an industrial development board which is prepared to help new industries get started. This board has made some worth-while contributions toward the development of industry in Alberta. How will this new department co-ordinate the work of agencies which are already working in this field in the various provinces across Canada?

Another matter which should perhaps be first on the list of priorities facing the new department of industry is the creation of a market. It is useless establishing a department if there are no markets for the goods which industry can produce. Along with the development of industry we must co-ordinate our trade policies and be prepared to help create new markets for industries which may be established. When thinking about a department of industry we naturally have in mind those fields of industry in which the government is already engaged. I mention the Canadian National Railways. I could also mention defence production, which has played a tremendous role in promoting and maintaining industry in this country. Certainly, the Department of Defence Production must co-ordinate its activities closely with those of the new department, if and when it is established.

I hope that the new department will not require industry to submit more and more forms for transmission to the dominion bureau of statistics. I am informed that industry today is trying to cope with a backlog of forms which must be filled out to keep the government abreast of the developing country it is trying to govern. I hope that setting up a department of industry does not mean we will try to take over any part of the management of the industry already established, or attempt to do so by requiring management to fill out still more forms, thereby creating further overhead costs for young industries becoming established, perhaps, in areas of considerable risk.

I think one of the best ways in which a department of industry could help found and maintain new industry would be by making available information with regard to markets. The Department of Trade and Commerce under the former minister made great strides in this direction, and the new department of industry will, it appears, be taking away part of the duties of the well-established older department. However, making information available to new industries with regard

to actual or potential markets will be one of the main duties of the department of industry when it is set up.

It is also my belief that the department of industry will have to co-operate closely with the Department of Finance. It is interesting to note that in the report of the industrial development bank for 1962 mention is made of a substantial increase in the number of borrowers in comparison with 1956. In 1962, over 2,000 loans were made, 166 of them to manufacturers, compared with some 300 in 1956. This is certainly a marked acceleration in the lending program and it has been made possible by amendments to the act brought in with regard to the lending powers of the industrial development bank. It is a development which illustrates the need for close liaison with the Department of Finance, because it takes capital to establish new industries, it takes capital to maintain them and it takes capital for new industries to find markets and sustain them so that a successful business may result.

In my opening remarks, I pointed out that the development of new industry must be tied closely to the development of the resources of this country. I can think of several examples of such resources, for instance, mines and minerals; gas and oil. There are right now two or three pulp mills operating in Alberta. Why is the paper not made in Alberta? This is a question which is often asked with regard to the pulp and paper industry generally. This is a step which could be taken if our resources were under our own ownership and control, but in many cases, such as the case of the pulp industry in Alberta, the operation is controlled by United States interests; they ship the raw pulp to the United States to create jobs there by having the pulp refined and made into paper in that country. If proper steps were taken, this pulp could certainly be manufactured in Canada.

One of the most important resources Canada has is its water—water power generally. We are all aware that industry needs water in a constant and steady supply. I believe Canada's greatest potential wealth lies in our water resources. This is why it is so important that the department, when it is set up, should co-operate in taking a close look at long range plans for water development in Canada, relating those plans to industrial development generally. In this connection, I cannot help but think of the refusal on the part of the province of Alberta to go along with a study of the water resources of that province as well as of the whole eastern Rockies watershed. This is bound to be a hindrance to any long range