

*Oral Questions*

industry was covered by these task forces. These task forces examined the strengths and weaknesses of our manufacturing industry and they made a number of recommendations, the vast majority of which I have already indicated the government has accepted.

**Mr. Crosbie:** Mr. Speaker, let me give the minister one other statistic. From 1970 to 1977, the proportion of the Canadian market served by imports grew from 26 per cent to just over 31 per cent. We are losing our exports and we are not displacing the imports.

Will the minister tell us, does he agree with the conclusion of this study, which reported to him, that our industry has weakened since the 1960 merger of the department of industry with trade and commerce? Is he now considering separating these two bodies again, in view of the fact that industry seems to have been smothered and has never recovered since this merger?

**Mr. Speaker:** Order, please.

**Mr. Crosbie:** Is the minister taking this seriously? After all, three years' work went into that report.

**Mr. Gillespie:** Mr. Speaker, the hon. member is confused with imports and exports—

**Mr. Whelan:** That is normal.

**Mr. Gillespie:**—and whether we should be increasing our imports or reducing our exports. That is the way the question came across. Let me assure the hon. member that if he looks at the figures, which I suspect he does not do very often—

**Mr. Whelan:** Right on.

**Mr. Gillespie:**—he will find that we had a record merchandise trade surplus last year, and he will see that the manufacturing industry in many sectors of Canada right now is performing virtually at full capacity.

● (1120)

He would also recognize that the science and technology R and D incentives of last year resulted in a major, new incentive program for industry which we hope will help to produce the kind of Canadian research and development activity in the future which will build a more innovative manufacturing industry in this country.

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**INDUSTRY****NEED FOR AN INDUSTRIAL STRATEGY FOR CANADA**

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, in the absence of any minister who is even remotely an economic minister, I will go to one of the Seven Dwarfs, sometimes referred to as Smiley: I refer to the Minister of National Revenue.

[Mr. Gillespie.]

As a dispute seems to have broken out between the President of the Board of Economic Development Ministers and the Minister of Labour as to whether it is desirable in this country to have anything called an industrial strategy, will the minister indicate where he falls in this debate: is he for an industrial strategy, or against it?

**Hon. A. C. Abbott (Minister of National Revenue and Minister of State (Small Business)):** Mr. Speaker, the hon. member says I am referred to as Smiley. I think it would be unparliamentary of me to mention some of the names by which he is referred to.

I attended the conference at which both ministers expressed themselves on the question of industrial strategy. I dispute very much that they had any severe difference of opinion.

**Mr. Clark:** They were four-fifths together.

**Some hon. Members:** Hear, hear!

**Mr. Stevens:** Mr. Speaker, I hope I did not misname the minister: there are several other names applied to the Seven Dwarfs, such as Dopey, Sleepy, and a few others; perhaps one of those is more fitting.

My further question to the minister centres on this important question which came up in the task force Overview; that is, that the commodity tax review has been stalled, notwithstanding the fact Overview recommends that the important advantage that is being given as a result of commodity taxation in this country be ended. We have been trying to get a reference to the finance committee on this matter. Will the Minister of National Revenue indicate whether he is aware of the anxiety concerning this imbalance and, second, will he take some steps to get proper reference to the finance committee so that some type of a report can be forthcoming?

**Mr. Abbott:** Mr. Speaker, to the minister of finance that cannot be, I would simply say that when the Minister of Finance returns to the House, the hon. member should ask him that question: it is entirely his responsibility.

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I wish to direct a question on the same subject matter to the Secretary of State for External Affairs, in the absence of the Prime Minister and the Deputy Prime Minister.

The acceptance or non-acceptance by the government of an industrial strategy is absolutely central to the question of the industrial future of this country. Considering that the President of the Board of Economic Development Ministers flatly rejected such an approach yesterday in Toronto and, contrary to what we have just heard from one of the minister's colleagues, the Minister of Labour said what we are doing now is not going as far as he would have liked and that this piecemeal approach is not enough—that is a flat disagreement between the senior minister and the Minister of Labour—I would ask the Secretary of State for External Affairs: who was speaking for the government on this matter? Does the government accept, or not accept, the need for an industrial strategy?