

Supply—Industry

the hon. member's reasoning in industrial development policies.

May I emphasize that generally I am in agreement with the motivations of the hon. member. I too would very much like the accent to be on the civilian side with respect to expenditures on research and development. I do not contest the fact, however, that expenditure on the military side does have a civilian connotation and will sooner or later come to serve the civilian side of the industry.

If my hon. friend studies the details of the matter I am sure he would realize that a Canadian industrialist who availed himself of our programs might get as much for a civilian project as for a defence project. Again we are trying to establish a proper balance.

The hon. member referred to a part of my speech to the representatives of the air industry of Canada, where he alleged I said "Your interest is mine". I have been unable to find that quotation in the text, though I may have ad libbed it, as I sometimes do. On pages 14 and 27 of my speech I referred to civilian and defence projects. For example, at page 27 appears this statement:

However, much can be done to achieve a better balance between defence and civilian activity in the "air industry" at large.

The industry's sales are now balanced at roughly 50/50 military/civil. We must consciously strive to sustain and, where feasible, increase our civil aerospace production.

So may I thank the hon. member for raising this point because it does give me the occasion to repeat what I said at that time.

The hon. member for Saint John-Lancaster asked me to pay some attention to movements that are taking place in the area development agency. I understand the difficulty he is experiencing. It has been decided to designate certain areas in his region as in need of development—Saint John, Halifax, Dartmouth and Moncton, I think they are. However, this designation cannot be made until the legislation is introduced in this house. The hon. member said that this has led to rather sad delays. However I do not think I can intrude upon the sphere of influence of the Minister of Forestry and Rural Development, though I will try and adopt the hon. member's gentle manner and sympathetic attitude in drawing this particular problem to the attention of the said minister.

The hon. member for Edmonton West expressed some concern over the machinery tariff remission program and asked me to give him a breakdown of the cost of operation

[Mr. Pepin.]

of this program. The salaries will amount to \$382,000. However, I must immediately point out that the cost to the government should be nil. As far as expenditures by the department are concerned, the government is going to retain the 15 per cent duty on the first \$500 of value of each importation. It is estimated that since there are now between 500 and 1,000 requests for remission per month, revenue will be more than \$1 million a year, which will easily recoup cost of administration. I might also add that the board will reduce the cost of manufacturing for Canadian industry by \$45 million, and in doing so will make Canadian industry more competitive on domestic and international markets.

[Translation]

I wish to thank my good friend, the member for Missisquoi (Mr. Yves Forest) for his good words and for the excellent advice he has been giving me with his usual generosity. The textile industry is also a concern of mine and this for two reasons at least, one being that I am representing a district where textile industry is, just as in his own district, a very important part of local economy. And this is one of the subjects on which I will try in the years to come, to exert my personal influence.

This particular Canadian industry, as the hon. member said, must be rationalized; we must at any cost, in the next few months, set a long-term plan. The parliamentary secretary insisted on this, as did the owners of manufacturing plants and the union leaders who, a few months ago, presented us with a report. I shall devote all my efforts to this task.

However, I wish to say to the hon. member that there is at the present time a review made at the interdepartmental level of our policy towards countries with low salaries, so as to determine if we are doing everything necessary in that field. Of course I do not have to point out to him again that the Canadian consumer has also some interests to be reckoned with and that Canada, a country exporting such a large range of products, can hardly apply a protectionist policy in that field and demand that other countries act otherwise elsewhere. It seems apparent that various interests are at stake, and this is why my honourable friend insisted on a long-term solution. Some officials of my department are now carrying out studies on the textile industry, on its competitive position in the world, on sectors which are profitable, less profitable, or a dead loss. It goes without saying that all this will help define a policy