

*Government Organization*

If, in politics as elsewhere, the subject matter is the most important, the structure is equally important as it shapes, molds and channels action and therefore improves the results. It would be quite wrong to ignore the structure.

The amalgamation of the Departments of Trade and Commerce and of Industry plays a very important role in the present reorganization of the federal government, the third since 1963, if one considers that the Department of Industry was then established. This amalgamation will result in the establishment of policies which will be more worthwhile yet and it will create a wider range of services for businessmen and for Canadians, generally.

[*English*]

I feel honoured and challenged by the mandate given me to bring together the qualities and capabilities of the present Departments of Industry and Trade and Commerce and to forge for the future a strong, forward-looking ministry.

Our capacity to develop in Canada our social programs, provincial or federal, to upgrade our educational, medical, welfare and cultural standards, to afford the investment required to narrow our regional disparities, this capacity, I say, depends in essence on our economic strength as a whole and on our efficient industrial and commercial growth. It is to these essential elements that the efforts of the Department of Industry, Trade and Commerce will be directed.

I was observing in Montreal recently, rather prosaically, that the just society is easier to achieve in prosperity than in economic mediocrity. I am quite sure that the hon. member for Prince Edward-Hastings will agree with at least that part of my speech.

The department's objectives are spelled out in detail in the bill and I hope they will command the general support of the house.

In summary, the role is to help to further the growth, productivity, employment opportunities and general prosperity of the Canadian economy through the efficient development of Canada's manufacturing and processing industries and the expansion of our trade and tourism.

● (9:00 p.m.)

[*Translation*]

How will the department be structured to reach those objectives? The basic principle

[Mr. Pepin.]

consists in incorporating into the structure of the new department the essential relation that exists between the industrial development and the progress of exports.

My hon. friends have surely noticed, as I have, two essential things in modern economy.

The first is that international trade is increasing more rapidly than the world production of commodities; in other words, men export to other countries more and more of their products. Since 1960, the world production has been increasing, in real terms, at an annual average of 5.4 per cent, while the average annual increase in world trade has reached 7 per cent. As for Canada, comparative figures show that the annual increase in national production has reached 5.2 per cent, while exports have increased at an average rate of 10 per cent during that period. Therefore, foreign trade increases faster than the production of goods.

Secondly, trade in manufactured products increases more rapidly than in basic food products and raw materials. During the last decade, world trade in manufactured products increased by about 140 per cent while world trade in basic food products and raw materials rose by 55 per cent during the same period. Canadian exports of manufactured goods increased by 190 per cent and exports of basic food products and raw materials by 80 per cent. Therefore we can see that our export increase is much greater in the sector of manufactured products.

Again in Canada, manufacturing and processing industries produce now nearly three quarters of all our exports, that is 35 per cent in wholly manufactured products and 38 per cent in partly manufactured products. However, there are still people who believe that our basic products make up the bulk of Canadian exports. The figures I have just quoted indicate that about 75 per cent of our exports are made up of manufactured and processed goods. It is therefore in this sector that we must especially look for substantial economic gains and new job opportunities, for instance, without overlooking basic products.

The connection between industrial development and trade expansion comes out even more clearly if we consider the following propositions which I think are quite simple but essential: