

Supply—Industry

any more contracts unless you move to Montreal. They closed their doors; the industry stayed there. The other industry closed down because exports to the United States stopped. It was not a period of depression. What happened? A powerful industry benefited from the federal legislation when it had the means to cover its costs.

I am happy about what happened, I am happy that the situation has stabilized itself, but I find it extremely dangerous to put at the disposal of large and powerful industries services, grants and income tax exemptions which the government could give to others which need them more.

Here is what happens in the end. A large industry which is not very profitable is closed and another one is opened; nothing is changed, it hurts somewhere else. But all that is paid out of the Canadian taxpayer's money.

I think it is important to study closely each particular case. I think that there are other designated areas, but then it is necessary to get the services of experts, technocrats, men with experience, not only men who do research—not necessarily scientists or economists—but men who know what an industry is, how to create it and settle it somewhere in short men who can make investigations and reports.

New industries are requested. Everyone is for the creation of new industries, but it is necessary to know the market and where these new industries will settle and, then, if there is a domestic or export market for them.

But some industries have been operating in the province of Quebec, in Ontario, in western Canada, everywhere, for the last 50 years, and they are not being helped. It might be wise for the minister to confer with the Minister of Trade and Commerce (Mr. Winters) and the Minister of Finance (Mr. Sharp) with a view to determining whether the time has come to help existing industries to expand. It is all very well to create new industries. I know of certain industries in the province of Quebec to which help should be given, not through cash subsidies but through tax exemptions for certain jobs, or on the purchase of new equipment to keep pace with progress. They might also be granted tax exemptions so that those who hire labour might have the required cash to do the necessary work, instead of always having to resort to bonds issues, all the more so in view of the fact that the market is now at a

[Mr. Beaulieu.]

standstill, not only in Canada but also in the United States.

• (1:50 p.m.)

It is extremely difficult, even for a city like Montreal that needs money to fulfil its obligations with regard to the world fair, to borrow on the American market.

I believe that the Department of Industry would be well advised to call together the representatives of the manufacturers association so as to know their opinion. And it is then, Mr. Chairman, that I deplore the expenses this government has made for some time now regarding the subdivision of departments.

I am delighted with the establishment of the Department of Industry, but its budget is a mere trifle, because there is really something to be done there. On the other hand, there is no proportion between the administrative costs and the budget administered. It costs \$5 million to administer a \$20 million budget. That is nonsensical. The fact is that the civil servants, if they are qualified of course, do not have enough work, enough responsibilities and the budget is inadequate.

The Department of Trade and Commerce was divided. How can we make sense out of this today in the province of Quebec? I came to Ottawa with industrialists. We went to the Department of Industry, from there we were referred to the Department of Trade and Commerce. We went to the Department of Trade and Commerce and there we were sent back to the Department of Industry, where we were told that our application came under the Department of Labour. At the Department of Labour, we were told that it came under another department.

The same holds true when it comes to an application concerning a post office. When I submit an application to this effect to the Post Office Department, I am told: All right, you are granted the post office. Two days later, the Post Office Department gets in touch with you to advise that you have the post office, but you do not have the land; when you have the land, you will get the post office. Then, they suggest to see another department, where we are told: All right, we will buy the land but before we do that you must get your post office; get the post office first, and then we will buy the land.

Thus we go from one department to the other. I visited at least 10 departments and I suggest that the present subdivisions and the fact that there are two or three officials at the