

Government Organization

to prevent it. Surely the lesson is clear. The government's refusal to plan and its refusal to co-ordinate the economy can mean only growing unemployment, rising prices and economic dislocation.

In the measure before us the government is going to establish a department which will be responsible for attempting to eliminate regional economic disparities. This is a sound proposal. Members of this party have long advocated that a department of government be given this particular responsibility. It should be kept in mind, however, that regional disparities can only be eliminated in a growing and expanding economy, and that poverty is not only located in some areas to a greater extent than in others but that pockets of poverty are to be found in almost every part of the country.

The department which is to be set up to deal with regional disparity can only be effective if it is given adequate financial resources. The fact that it is being allocated merely an additional \$37 million would indicate to me that the government does not intend to make any radical departure from its past policies. Merely moving some of the five various agencies which have been operating into a single department and abolishing the Atlantic Development Board and setting up an advisory committee is not going to deal with this problem unless the government is prepared to make massive sums of money available to this department to launch an all-out attack on poverty to remove some of the regional disparities which, if not removed, will tear confederation apart.

We submit that the proposed departmental reorganization gives no indication whatsoever that economic goals are being set or that economic policies are being put into motion to attain those goals. There is a growing need in Canada today for a department of government which has over-all authority to co-ordinate and supervise those activities which have to do with economic growth and full employment. I think what we really need is a department of economic affairs which would have the responsibility of co-ordinating the monetary, fiscal and investment policies being implemented by various departments of government. If the government is not prepared to do that there ought to be some co-ordinating body established, preferably in the office of the Prime Minister, whose task it would be, having been acquainted with the goals set by the cabinet to see that the various departments of government play their part in carrying

out the various programs so that the goals set by the government could be achieved.

I would be interested to hear from the government as to where the Canada Development Corporation is going to fit into this reorganized government structure. I think the Canada Development Corporation should be under the direction of whichever minister is going to co-ordinate the government's economic programs. If this agency is to be a genuine economic tool and not merely a mutual loan fund with the government as a silent partner, it has an important role to play in attaining some of the goals set by the Economic Council of Canada.

I think the Canada Development Corporation ought to be given three important tasks. The first task is to promote the processing of more of our primary products here in Canada. The fact is that at the present time more and more of our extraction industries are in the hands of foreign investors who have set up subsidiaries in this country purely for the purpose of supplying their parent companies with certain raw materials. Because they are selling to their parent companies they can sell at the lowest possible price. Consequently their profits are low and they pay very few taxes and can use their low profitability as an excuse for paying low wages.

Most serious of all, these companies are primarily concerned with getting raw material out of the country in its most primary state. We see this, for instance, in the province of British Columbia and in my own constituency where sawmills have been closed allegedly because of a lack of logs yet every day boatloads of unprocessed logs are going out of the ports of Vancouver Island. We are exporting jobs. British Columbia is shipping out coal and iron ore. We are exporting copper ore, and in other parts of Canada we are exporting nickel, lead, copper, zinc and pulp.

I am not suggesting we should not export any raw material. I am suggesting that if we are going to have economic growth and full employment, and if we are going to provide jobs for the young people we are training, then more processing must take place in Canada. This means supplying the necessary capital to expand existing Canadian-owned industries and to start new Canadian-owned industries for the purpose of processing raw materials to develop the Canadian economy. I think the Economic Council of Canada has to be charged with the responsibility of rationalizing our industry so we can break out of the branch plant syndrome which is inhibiting