

*Government Organization*

has increased and parity pay for our workers had been made possible. Those are the benefits. The disadvantages lie in the fact that by losing the power to make decisions on an economic level we may lose our political freedom. All decisions affecting the automobile industry are made in the United States and not in Canada. There is a growing danger that activities needing skill in the manufacture of automobiles, such as designing and so on, will take place in the United States. We may not become hewers of wood and drawers of water, but we may become fender fitters and people who tighten nuts and bolts.

Despite what some hon. members opposite think, I am greatly impressed with the people in the Department of Industry. Several times I have called on that department for assistance for some of my constituents. I think that in no other department will be found civil servants as knowledgeable and capable as in this department. The problem has not been with the people of the department; it has been with how the department has been directed. It was a good idea to set up a department dealing with secondary manufacturing industries in Canada, and it was worth spending \$1.5 million on it. The department has failed us, not because of any intrinsic defect in its organization, but because there was lack of direction from the top, because the government lacked vision and because the people in the department had no terms of reference to guide them. They were frustrated no matter where they turned. Instead of trying to correct faults in its previous policy the government has thrown up its hands in despair saying, "Let us go back to our old ways.". They have even trotted out the old speech writer to write the same old speech. This is an abdication of responsibility and I cannot see that any useful purpose will be served by combining the two departments.

I watched carefully as the minister announced rather shyly that he was lopping off 184 people from departmental strength. He was not looking to our corner of the house when he said that but at the Conservative benches, because he knew he would find approval there. I submit we are being penny wise and pound foolish. Obviously, if reducing the personnel of a department mattered that much more people would have been lopped off its strength. We must consider the relation between benefits to be gained and the number of people employed. What good will it do to lop off 184 people from departmental

strength? It might be worth our while adding another 184 people to the department if secondary manufacturers of this country could thereby be assisted in being more productive. It is more important to determine the relationship between costs and achievements. We should not go around with an abacus counting the members of the department.

I began by saying there is conflict within the department on the question of capital use. In any society capital is a scarce commodity. How are we to allocate capital? Is it to go to secondary industry or will the old and inefficient inducements in the field of mining and oil be continued? A spokesman for secondary industry was needed in the cabinet. We recognize that the various regions and industries of this country need representation in the cabinet. A minister speaking for a particular region or industry in cabinet persuades his colleagues to his point of view, and the cabinet as a whole makes the decision. In this way, conflicts are resolved. Yet the spokesman vital for secondary industry did nothing and said nothing because he was immobilized. I do not know whether the blame for that lies with the government. Did it not allow the minister to exercise his responsibilities? This party recognizes that consumers of this country need representation in cabinet and the Minister of Consumer and Corporate Affairs is their spokesman. Surely, it is a mistake to have the muted voice representing industry in cabinet combined with the voice speaking for trade and commerce. I submit the two voices ought to be completely separate.

Recognizing clearly the problems facing this country in the field of secondary industry, the Deputy Minister of Industry, S. S. Reisman, made the following comments in a speech, as reported in the *Toronto Star* of February 2, 1968:

The proliferation of firms and products, combined with the relatively small size of the Canadian market, has tended to make us less efficient than we otherwise might be, particularly in comparison with the U.S.—

I wish to comment on that statement. It is not the size of the Canadian market that inhibits our developing efficient industry. The Canadian market is probably the second most affluent market in the world. A population of 21 millions is not inconsiderable. The difficulty stems from the fact we have inherited the United States pattern of marketing and production, and we have forgotten that Canada