

*Supply—Industry*

Following that we will have a detailed discussion, with the support of the officials, under each of the departments, seriatim. That is, a general discussion in relation to all the departments would take place, following which there would be a detailed discussion on each of the departments in order, under each of the votes.

The departments to be considered would be the Department of Industry, item 1, which is supplementary estimates "D" on page 3; following that atomic energy, which is in the main estimates at page 40; following that, the Department of Defence Production, in the main estimates at page 82; following that the national research council, in the main estimates at page 275; following that, the department of public printing and stationery, in the main estimates at page 335.

As hon. members will recall, the Department of Industry was established on July 25 this year in accordance with the act passed earlier in the session, and it was at that time discussed in some detail. For that reason it does not appear necessary for me to again go over the proposed duties and functions of this department, but I might describe briefly the progress which has been made since that time in setting up the establishment.

In discussing the setting up of the department it is perhaps useful to distinguish three separate phases; (1) organizational planning (2) staff recruiting and (3) operations. There is some overlapping of activities under each of these headings, naturally; but for our purposes today I think the committee will find this classification useful.

The first phase—that is, organizational planning—is now essentially complete for the Department of Industry. During the past four months a great deal of effort has been devoted to the preparation of detailed organizational plans, and the result is that the Department of Industry will consist of ten main functional branches, which are aircraft, chemicals, clothing and textiles, electrical and electronics, food products, machinery, materials, mechanical transport, shipbuilding, and wood products.

The organization of the Department of Defence Production is being altered in certain respects so that the operational structure of the Department of Industry and of the Department of Defence Production will be parallel. As a matter of fact the director of each Department of Industry branch will also be the director of the equivalent branch of the Department of Defence Production. These directors will be responsible to both the Department of Industry and the Department of Defence Production, and with this dual responsibility will be able to co-ordinate

the activities of both departments in each industrial field. Legal, financial, personnel and other staff services are being provided to the Department of Industry by the appropriate officers now on the staff of the Department of Defence Production. These units, which are now in operation and have been for some time, can absorb very much more easily the impact of the new department's work than could newly created units. Furthermore, this arrangement will avoid unnecessary and consequently wasteful duplication.

The new department is now actively engaged in the activities which come under the heading of staffing and recruiting. At this point the deputy minister, as the Prime Minister announced, has been appointed, as have two assistant deputy ministers who, incidentally, in a way similar to that of the branch directors, will have dual responsibilities in regard to both the Department of Industry and the Department of Defence Production.

The directors of the present defence production aircraft, electrical and electronics, and shipbuilding branches have been appointed directors of the equivalent branches in the Department of Industry. Candidates for the positions of directors for the other branches are currently being interviewed, and we expect that these appointments will be made in the course of the next few weeks. The commissioner of the area development agency, Mr. Lavigne, and the deputy commissioner, Mr. Teeter, have been appointed and the recruiting of officers to staff the agency is now under way. In addition, the staff of the domestic commerce branch of the Department of Trade and Commerce has been transferred to, and is now working in, the Department of Industry. We expect that the recruiting and appointment of staff will be substantially complete by the end of the current fiscal year, and at that time the department should be on the way to being fully operational.

On the financial side it will be seen in supplementary estimates "D" that the total vote is in the amount of \$665,000. Of this the major proportion, that is \$535,000, is for salaries and wages. Most of the amount for salaries, that is \$475,000, is for personnel who are expected to be appointed to the department between now and the end of the current fiscal year. Hon. members will appreciate that this is based on an estimated rate of recruitment calculated some months ago, and if this rate is not met the actual expenditure will be proportionately less. The remaining objects of the vote total \$130,000 and have been estimated on a per capita basis using the experience of the Department of