

Establishment of Industry Department

nor the low costs that will enable it to compete successfully in world markets.

We also know that many millions of dollars worth of parts, bits and pieces, are imported by industry for assembly into finished products in this country. A percentage of these could, and should be made in Canada if we are to cut down on our unemployment and provide the requisite number of jobs.

These are problems that exist now, and they are problems that will become even more severe as trends toward freer trade develop. Our industry is having problems providing enough jobs under current conditions. As tariffs come down, and as trade becomes freer, these problems will increase. Our industry has not yet solved the problems that will enable it to compete under these new conditions.

Mr. Clancy: May I ask the hon. member a question?

Mr. Hahn: I prefer to finish my speech first. Industry has not solved these problems by itself, and this I believe is sufficient justification for government help in this field. In fact I feel that if the government does not help in this field it will be negligent in its responsibility to the people of the country.

I believe industry recognizes this, that it welcomes government help, and that it welcomes the establishment of a department of industry. Despite the remarks of the hon. member for Perth (Mr. Monteith), I am sure the Canadian Manufacturers' Association would like to see this department established.

It is not going to be the job of this department—indeed nothing in the bill implies it—to interfere with industry and strangle it with red tape. It is not the purpose of the proposed department, as the hon. member for Timiskaming (Mr. Peters) suggested, to subsidize uneconomic segments of our industry. Neither do I believe it is, nor should it be, the purpose of this department to act as a government consultant or lending bureau for individual companies that have fallen behind the times and have got themselves into trouble.

To me the purpose of the new department is to do two main things, as set out in the bill. First of all, it is the job of the department to learn the facts, to find out what the situation is, and to identify and set up the problems. Having done that, its job is to work out, with industry, solutions to these problems. This task can only be done and the solutions can only be posed once the problems have been identified in specific terms.

The first stage, therefore, must be a detailed industry by industry examination to determine these problems. The hon. member for Perth suggested there would be a blizzard of paper and forms. He suggested that statistics

would be compiled and counter compiled, and filed and counterfiled. I believe many of these statistics presently exist, and I think the minister designate, and the persons who will work with him in the new department, will have reasonable powers of logic and normal portions of common sense. I would expect that the industries would be selected on some rational basis. I would imagine there would be some priority in selecting these industries, and that priority presumably would be based on those industries that might yield the greatest returns first.

I would assume, for instance, that such things as total employment in an industry would be one of the criteria, for those industries that have now large scale employment are the ones that offer the most immediate potential gains in future employment. I think another criteria in selecting industries would probably be the volume of imports, because here is the plum that we want to pick; these are the items that, if we can make them here, offer relatively immediate gains in employment. Also, obviously the export potential of an industry would help to determine the order in which it is selected. This industry by industry study, as the minister has stated, has already started with the automobile industry.

The hon. member for Timiskaming (Mr. Peters) has been asking where the money is; why do we not pour in millions of dollars. I do not believe that this department should become a means through which we wind up with socialized industry in this country. I think that wherever possible the solutions to the problems that are posed should be achieved through normal financing channels. This will not always be possible, and if funds are needed for special projects I believe these funds should be appropriated as required. To my mind it is better to ask for the funds and appropriate them as you need them, rather than set up a large sum of money which you then scurry around trying to find ways and means of spending. While on the subject of financing, I would hope that this department would have a close liaison with the industrial development bank so that this agency which is already in existence might be of more help, particularly to some of the smaller industries in the country.

The hon. member for Perth (Mr. Monteith) opposed the idea of the department at the beginning of his speech, but toward the end I believe he recognized, as I am sure other hon. members do, the need for this work, because he suggested, as others have, that it should be carried out through the Department of Trade and Commerce and that this department should be expanded to become