

Mr. Flemming: The point, Mr. Chairman, and I say this with great respect to the hon. member for Calgary south, is that the government has blundered hopelessly and mismanaged our affairs.

Some hon. Members: Hear, hear!

Mr. Flemming: I am surprised that the government's own supporters sit there like a flock of sheep and stand for it.

An hon. Member: Come off it, now.

Mr. Mahoney: The hon. member does not really mean that.

Mr. Flemming: I am surprised at my hon. friend from Madawaska-Victoria.

Mr. Corbin: The hon. member can do better than that.

Mr. Flemming: I am surprised that my hon. friend for Madawaska-Victoria just sits there and does not say anything. I have great respect for him, of course—

Mr. Corbin: Mr. Chairman, I have a great spokesman in the Minister of Finance.

Mr. Woolliams: The hon. member had better not say that in his constituency, because he will never be returned to this House.

The Chairman: Order, please. I regret to interrupt this exchange, but the time of the hon. member who has the floor has expired.

Some hon. Members: Continue.

The Chairman: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

An hon. Member: The hon. member finished, and not a minute too soon.

Mr. Flemming: Mr. Chairman, I heard someone saying something about my finishing not a minute too soon. Apparently there is not unanimous agreement.

Some hon. Members: Carry on.

Some hon. Members: Agreed.

Mr. Corbin: The hon. member knows that we like listening to him.

Mr. Flemming: Mr. Chairman, I want to say a word or two about the pulp and paper industry. There is a large plant located in the constituency of the hon. member for Madawaska-Victoria. It is one of the eight pulp and paper mills of New Brunswick. Speaking in general terms, I believe that that industry is having a difficult time at present. I will not go into the reasons. They stem, partly, from the imposition of the import duty, partly from losses connected with the premium on United States funds, and so on. I happen to be in the lumber business and know something about it. As I say, there are eight pulp and paper mills in New Brunswick which have made representations to the government on behalf of the pulp

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and paper industry concerning the tax bill. They ask for certain considerations, and I support their request. These mills, as I say, are located in New Brunswick at Edmundston, Atholville, Bathurst, Newcastle, Saint John—there are two mills in that city—St. George and Nackawick.

We have at present the Department of Regional Economic Expansion. This department is doing a good deal to stimulate industry all across the country. I give them credit for this. However, they are not in a position and I do not think the statute allows them to do that which would be helpful to the pulp and paper industry.

• (4:20 p.m.)

In the province of Quebec and to some extent in the province of New Brunswick, there are many pulp and paper mills that were established a good many years ago. Their machinery is obsolete and they are not able to compete. Yet, within a few miles of the location of one of these mills, the department is establishing a new mill. They make a large grant to pay for new machinery in the new mill, so at public expense, Mr. Chairman, this company is given the competitive advantage of up to date machinery and equipment. As a consequence, they are able to produce in a much more competitive way than other companies. Possibly the government might consider, and I ask the parliamentary secretary to take note of this, that obsolescence as well as expansion of pulp and paper plants justifies the investment of public funds. I belong to that group of people who feel it is just as important to maintain an industry already in existence as to establish a new one. It is also much less expensive.

I do not think the attention of the Department of Regional Economic Expansion should be directed entirely to expansion of an existing industry or creation of a new industry. Not too long ago I read an article in a Montreal newspaper about the pulp and paper mills in Quebec. According to this article, the machinery in many of these mills is obsolete. They are not able to compete with mills which have more modern machinery. I ask the Postmaster-General to keep this in mind. When sitting around the executive council table, he might make representations with regard to pulp and paper mills in his and other provinces which have obsolete equipment. I am not going to impose on the good nature of the House and go on at length. Although I have not completed all my remarks, I will not speak any longer. I appreciate the generosity of hon. members on both sides in allowing me to continue beyond my time. Perhaps I will complete my remarks some other time.

Some hon. Members: Hear, hear!

Mr. Corbin: Will the hon. member permit a question? Does he agree that to a certain extent part of the problems that the pulp and paper industries in Canada have is a world glut situation, an overproduction problem, which they have lived with in recent years and, just as important, problems of mismanagement or lack of good management within the industry? Does the hon. member agree that to some extent that is part of their problem?

Mr. Flemming: In the first instance, Mr. Chairman, I do not disagree. However, I do not feel capable of judging the management of the pulp and paper industry in Quebec