

*The Address—Mr. Blair*

expert, with large interests in England, said at that time that he was really convinced that when British domestic deliveries could be made in weeks instead of months, and when the profits had been squeezed out of the home market, British competition, with the advantage of its low wages, would be found to be even tougher in Canada.

Lord Barnby had quite a few other things to say, some to the credit of the Canadian industry. For instance, he found our mills efficient, but the main point of his speech, to my mind anyway, was the fact that the Canadian wool textile industry can expect an increase in the already severe competition from the British mills. That should give us all something to ponder.

This warning perhaps foretells a return to the extreme difficulties experienced in valley towns when the current depression reached its lowest ebb about a year and a half ago. At that time the *Evening Citizen* of Ottawa was very pessimistic in noting, and I quote:

Machinery may continue to turn in Ottawa valley woollen mills, but the oil is thin and the spectre of unemployment still rides the shuttle.

About this time two of the valley's oldest mills closed their doors and other establishments were forced to grant long vacations without pay to employees. Had it not been for defence orders there would have been even more suffering in the valley.

We are all afraid that even the current low level of business may not hold up, and that valley mills may return to the bitter experience of 1952. We feel that it would be serious to the economy of this nation to allow the industry to suffer to the point where it becomes ineffective.

As I noted earlier, the making of wool textiles is not a new industry in the Ottawa valley. There are people in the valley who inherited their skills as spinners and weavers from their ancestors and who have spent a lifetime providing cloths that are the pride of all Canada. Ottawa valley woollens are as good as those made anywhere else in the world, and this country would be a lot worse off without them.

Nor is woollen cloth the only thing produced in the valley that is having a hard time finding Canadian markets. There are many fine knitting mills in the district too, and some of these are perhaps even closer to the wall than the cloth mills. I have recently been studying some figures covering production and marketing of Canadian knitted goods, and would like for a moment to present some detailed figures.

The Canadian knitting industry is an enterprise that supports 293 mills and which, in 1948, employed 27,724 persons, but which has since declined to 23,640 workers.

In the case of our knitted outer garments, imports into this country have reached a volume three times the pre-world war II quantity. Most of the imported knitted wool outerwear originates in the United Kingdom. The United States is the source of more than half the synthetic outer garments, with the United Kingdom supplying the balance. About 60 per cent of the cotton outer garments imported come from the United Kingdom, with nearly all the balance being of United States origin. Imports for the first five months of 1953 were 77 per cent above the same period of 1952, and there is no doubt that when complete figures are available this year will show a post-war record for such imports.

Another section of the knitted industry which I have heard has been particularly hard hit comprises those firms in Canada engaged in the manufacture of seamless knitted gloves and mitts. In November 1948 these mills employed 1,100 persons, whereas four years later the payroll showed a total of 400 persons. The loss of the large portion of the market has been due to competition from Japan, which has increased its share of the Canadian markets from 6 per cent in 1948 to 29 per cent in 1952. Prior to world war II we saw Canadian shops full of well-made Japanese goods, cheap only in that wage rates in that country are so low as to allow sale here, even after shipping costs, at a fraction of what it costs to make similar goods in Canada.

The creation of a better international understanding is an objective to which we all subscribe. Unclogging the channels of international trade is a step towards that objective. However, to destroy a large segment of our economy in the pursuit of that objective is not in the interest of international understanding. Different standards of living and lower wage levels in other countries must be considered.

This comparatively small nation is not in a position to attempt to lead the world in offering inducements for greater international trade, when other countries, greater by far, are endeavouring to read escape clauses into existing trade agreements, or resorting to barter deals to enhance their own position in competitive world markets. To follow such a policy will only mean disaster for large segments of our population and gives no assurance that such action would win the respect or co-operation of other nations.

Considerable concern is now prevalent in some phases of our economy, and the textile industry is no exception, about the possible effects of a trade treaty with Japan.

Western Canada would no doubt gain through future trade with Japan. If Japan is going to be a power in the east against