

making as a branch of an American plant will be shipped into Canada from the main plant in the United States. What will the travelling commission say to the manager of a small plant like that when that manager tells them: You have closed our plant; what can we do to provide employment?

I have been thinking of a sawmill in the county of Grey. It buys its raw product, logs, from the farmers roundabout in Grey-Bruce. It operates in Hanover and ships a portion of the raw product, the best part of it, to Europe, the rest being sold to a furniture factory in Hanover. The duty on the product of that plant in Hanover has been reduced from 45 to 27 per cent. What will the commission say to the manager of this plant in Hanover or to managers of similar furniture plants in Durham, Chesley or Neustedt or of these small sawmills that buy their raw product from farmers in the vicinity? It seems to me that we are going backwards; we are travelling in the opposite direction to the one in which we should be going. If we hope to encourage industry, to give employment, this cannot be done when the product of industry is up against competition which it cannot meet. And the same might be said of every branch or every plant supplying goods to these manufacturers. Take, for example, a plant that buys all kinds of fillers, all kinds of turpentine, paints, varnishes, all that long line of furniture materials made in Canada. What is this roving commission going to find when it visits the big Canadian companies which manufacture fillers, varnishes, stains and so forth? They will be told: Why, you have taken our market away by reducing the duty on the products of the people to whom we sell, that is the furniture manufacturers, from 45 per cent to 27 per cent. I can see that the commission is going to have a right royal time with scores of lines of industry in this country. They will not find very much encouragement when they arrive at the office doors of those plants unless when the budget comes down the intermediate tariff is increased on many scores of lines.

I have no intention of holding up the item, although I could cover a long list of industries and a great number of products the manufacture of which, in my humble opinion, is seriously threatened by the recent trade agreement. As I have said, the minister's travelling commission is going to get a warm reception when it arrives at these various plants and asks them to take on more men, because industry is not run just for playfulness; it is run on a basis of profit and loss, of buying in the cheapest market and selling in the dearest, and it is only from the difference

between the cost of the product they make and the price at which they sell that they are able to give employment, pay wages and keep the plants going. I sincerely hope that industry will survive and that more employment will be provided, but I do not envy the commission the reception they will get from many industries at this time.

Mr. MacNEIL: I wish to ascertain from the minister how the function of the commission as outlined in this paragraph will be related to the activities of the employment service of Canada. It strikes me that one important function of the commission will be to spread more equitably the available employment, and in a work of that kind the employment service or the labour exchange is of vital importance. I urge that consideration be given to the necessity at this time of strengthening the employment service of Canada. It is not manned in the provinces as it should be. We have not the expert staff to accomplish correct vocational placement; this service has not gained the confidence of employing interests as it should. These offices should be something more than merely points for the registration of those seeking employment. They should be able to place at the disposal of employing interests facilities for the placement of competent and trained workers. There are very few instances, as I understand it, where important employing interests refer to these employment offices for the help which they require. Furthermore, an important feature has been overlooked that is dealt with in this paragraph. Provision was made in the Employment Offices Co-ordination Act of 1919 for the establishment of local advisory committees to be attached to the local employment offices. No steps have been taken since that time by the provincial governments to carry out the provisions of the act. If this work had been done properly and cooperation established between employers and workers in the various communities adjacent to the employment service offices there would have been greater stability, I think, in the conditions in these communities. It is important that there should be that cooperation in order to encourage, on the one hand, confidence on the part of the workers in the operations of these offices, and on the other, confidence on the part of the employing interests that they can secure through these offices the help they require. It is only under a system of that kind that the commission or the government will have any semblance of control over the turn-over of labour so as to dovetail seasonal employment, introduce elements of stability that are now lacking, and