

*Trade Commission—Mr. Stevens*

caused in large measure the collapse of our trade. Let me say to the hon. member for Weyburn: Will he suggest to me that the suffering in the needle trades which is revealed in this report in such tragic form is due to loss of external markets? Will he say that? What we drew attention to in this report was the tragic fate of 30,000, 40,000 or 50,000 workers in this country in the needle trades. Let me give the house a few examples. I read from page 109 of the report:

Characterized by economic instability and excessive competition, with "contract shops" and "home workers" alongside the usual type of manufacturer, this industry, though it includes many progressive and socially minded members, has had on the whole a doubtful record. The evidence we have taken shows that in many cases this record is only too well deserved.

Then it goes on:

Through price and wage cutting, these small firms maintain a precarious and temporary existence for themselves at a heavy social cost. Their low wages tend to reduce the level of wages elsewhere, to impair general purchasing power, and to increase relief costs. Their uneconomically low prices eagerly sought, if not dictated, by mass buyers, endanger the solvency of more reputable and stable establishments and contribute to the general disorganization of the industry.

I could, if time permitted, follow with quotation after quotation indicating the tragic condition of the workers. Is that due to the loss of external markets? I hear my hon. friend say, sotto voce, yes.

Mr. YOUNG: Yes.

Mr. STEVENS: My hon. friend still persists. It was caused, as the report indicates, largely by mass buying, largely by the concentration in the hands of a few people of the buying, and in some instances, not so much in this industry as in other industries, the cause lay in the hands of producing concerns. Those conditions cannot be blamed on a loss of external trade. They are conditions which have grown up in Canada and are there challenging our consideration and attention. We are told that the remedy for that is amendments to the criminal code which the Minister of Justice introduced the other day with such doubtful terminology.

Now, sir, the other argument of my hon. friend in this respect is the law of supply and demand. Perhaps he would like me to cite his words to the house. He says:

The best balance will be maintained by the free play of nature's law of supply and demand. And again:

If economic forces are allowed free play the marginal producer will be the first to go—

[Mr. Stevens.]

I should like my hon. friends to listen to this:

—and the field will be left to the more efficient. In this way the industry would be put on a sounder and more economic basis than would be possible under a regulating board.

What the hon. gentleman says there is this—he will correct me if I misinterpret him. He says the best balance will be maintained by allowing nature's law of supply and demand to have full swing. Will he or anyone in this house indicate any place in the world, outside of perhaps some remote country that we scarcely ever hear of, where the law of supply and demand is functioning? Is there any place in the realm of international trade to-day where the law of supply and demand is functioning, not fully, but functioning at all?

An hon. MEMBER: Not even in the coconut groves in the south seas.

Mr. STEVENS: It is not functioning. In Europe every major country which is a market for Canadian products has prohibitions of one kind and another and for one reason and another; in part because of fear, of the threat of future war; in part to take up again the tasks of pre-war days in the way of agricultural production and so forth; in part growing out of the tendency that developed in post-war days of dumping goods all over the world. Great Britain did it, the United States did it, Canada did it; Czechoslovakia, Germany, France, Italy, all did it. What did you read in your papers the other night? That an organization had been formed in Germany of certain industrial groups. What for? To tax each member of the group, I think seven to ten per cent, to create a fund out of which to pay bonuses for the export of goods. That is the competition we are going to be faced with. What is Japan doing? I think my hon. friend in one of his speeches cited Japan. What is her policy? Japan's policy is for the government to control the great corporations like Mitsui and Mitsu Bishi, which work hand in glove with the government, almost as departments of the government. And how do they handle it? By their system of control of these corporations. Internally they charge a price which they fix as a reasonable price for their people, and then, out of resources thus built up, they sell the goods abroad at figures that appal the world; figures that startled Italy so much that Mussolini set up practical prohibitions against Japanese goods; figures that startled England so much that the year before last she had to take measures to deal with the matter, and compromise by giving Japan a quota in her