Supply—Industry

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house in committee of supply, Mr. Faulkner in the chair.

DEPARTMENT OF INDUSTRY

1. Departmental Administration, $12,495,330.

[*Translation*]

Mr. Forest: Mr. Chairman, a few minutes before six o'clock, when the house went on to the consideration of private members' business, I had started to talk briefly about the conditions that exist today in the textile and clothing industries. I was dealing with the problems which now face that industry whose survival and progress are essential for a large number of municipalities, especially in Quebec and Ontario.

Of course, the volume of imports from countries where the production costs are lower remain the most serious problem for the textile industry and for a large number of other industries in Canada.

The figures for the period between 1954 and 1957 indicate that the Canadian industry saw its share of the market drop from 68 to 60 per cent. The important penetration of imports in the Canadian market is obvious since it is the highest per capita among industrialized countries, and our market is too easily accessible to export countries with a low production cost.

In fact, in 1966, every citizen bought $19.32 worth of textile in Canada, $10.89 in England and only $6.07 in the United States. This indicates that Canada uses three times more imported textiles and clothing than the american, and twice as much as the average Englishman.

Canadian manufacturers are not to blame, because our textile industry is among the most modern in the world from the standpoint of technology. Furthermore, it has invested about $500 million, since 1960, to modernize its plants and increase its productivity. Besides I think the administrators of those industries are aware of the difficulties facing Canada, as an exporting country, in the course of negotiations with certain countries, especially those with which we have a favourable trade balance as our exports consist mainly in primary products, whereas we are importing mostly manufactured articles.

[The Acting Speaker (Mr. Béchard).]

Therefore, it is important that the government insist in insuring above all the protection of those products being manufactured in larger quantities. Obviously, Canada must produce enough, at reasonable costs if this industry is to achieve a higher degree of rationalization as advocated by several experts in this field. If we are not far-sighted enough, our manufacturers will find it increasingly difficult, not only to maintain their present level of production but also to plan adequately for a profitable production and to invest the capital that will be required in the years to come to maintain an adequate level of employment.

The primary textile industry is today the second largest employer in the manufacturing sector in Quebec. Recent statistics, in the cotton industry in particular, are giving great concern and rightly so to the industrialists and the workers, to all those who are dependent upon it.

It is, therefore, essential to clear up the situation and to look further into the future, within the framework of a realistic and well established policy, because Canadian producers are now unable to anticipate the impact of imported manufactured products at low costs coming from underdeveloped countries. They are unable to take the necessary steps against this competition, because they can not guess at it or foresee it, since they have no indication or information. Their production schedule may be normally set up a long time in advance; they often squander more or less uselessly, a lot of time and money, but when the time comes, they are unable to follow up their programs.

It is therefore absolutely necessary to implement a long term policy, in fairness to this industry. I am confident that the present minister, who understands the problem, will put these production plans into effect as soon as possible and implement a general policy which will allow Canadian manufacturers to understand their situation in the Canadian economy in relation to imports from countries where the cost of living is lower, and which will show them what their aim should be in deciding to invest. This will also help the government to establish a general policy with regard to low-priced imports, instead of the present short term or one-year policies.

The changing structures of the world trade in textile products also make it increasingly necessary to implement a new policy which, instead of leading to a continual decrease in production, level of employment, investments and the deterioration of social conditions in