

would tend to reduce textile prices. These prices are too high, therefore bringing about all kinds of consequences.

I suggest the Board should primarily consider the textile industry's main problem which is that of unduly high prices.

What causes high prices? As in any other field of industry, prices of Canadian products increase because of excise taxes, provincial taxes, municipal and school taxes, all of which are exorbitant. Finally, the financing of stocks by formula 88 again increases textile prices. That is what the Board the minister mentioned should get to work on. The government can certainly find a cheaper way of financing stocks. This increase in the price of textile products and other products is attributable to the 2 per cent monthly portion of the production which is allocated to inventories. Instead of decreasing the prices of products, all this contributes to increasing them and diminishing the purchasing power of the Canadian people who are therefore unable to buy textile products. The problem of exorbitant prices is one that we should tackle.

The minister does not see any problem with production. I do not believe either that his officials find anything wrong with production for it is excellent. Experts should rather deal with the problem of distributing these products. We could consume 50 times as many Canadian textile goods as we are producing now. We buy textile products from other countries because they are 50 or 60 times cheaper than Canadian goods. It is not the fault of the Canadian producers, but of the economic system which increases prices through government and bank agencies of all kinds which control prices and board in part the profits of industrialists.

Therefore we support the board set up by the hon. minister. If something can be done, if it can find a solution to the problem, so much the better! But, how many such agencies, how many other boards in the industrial or commercial sectors have never solved the problem. I doubt that this Board will solve it because it will be concerned only with dumping and not with high prices, too heavy taxes, excise duties, etc. These contribute to maintaining high prices and also diminishing the production of our textile industries. The distribution system is to blame. If it could count on lower taxes, interest rates, and transportation costs, the textile industry would do so much better. Transportation is so expensive, because of too many taxes on trucks, on gas, on all sorts of other things. This contributes to the higher cost price of our textile products, while in other countries, there are lower taxes on transport, on building materials and lower excise duties. There are also many countries which have more beneficial customs tariffs.

I ask the minister to instruct the Board to adjust prices through grants if necessary. If the government must subsidize the textiles industry, let the Board study the possibility of granting subsidies to this industry so that it can lower its prices, adjust to the purchasing power of Canadians and sell in other countries at competitive prices. We shall achieve this only through the compensated discount that we could give on these products. As to

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the implementation of this compensated discount, it is merely a technical question. If the government would open its eyes and ears, and apply the real financial technique to finance what can be financed, to make financially possible everything that is physically feasible, we should see the result, and we should not have the abominable situation that now exists in the textile industry.

• (4:20 p.m.)

[English]

Mr. Paul Yewchuk (Athabasca): I shall not take up very much time, Mr. Speaker, but I should like to make a few comments about Bill C-215. The bill has a potential for effecting a much needed rationalization of various segments of our clothing and textile industry. In my opinion, it also has some potential for being a protectionist device behind which inefficient and outdated segments of the industry will lobby for further restrictive measures. In many instances this might lead to protection of industries which are not competitive or efficient enough to be worthy of survival.

Mr. Pepin: Do you know the industry well?

Mr. Yewchuk: Mr. Speaker, let me point out to the minister that I am not opposing the bill. I just wish to make a few comments on behalf of the consumers of the country and point out some of the pitfalls facing us.

During the study of this bill, the Standing Committee on Finance, Trade and Economic Affairs heard from a number of knowledgeable witnesses who expressed concern over the ends toward which the provisions of this act could be used. One of these witnesses, Mr. Keith G. Dixon, Executive Vice-President, Canadian Importers Association, gave, in my view, a very reasonable summary of the reasons Canadian manufacturers ought not to be competing against overseas producers of low cost cotton goods. For the benefit of those members who were not as the committee's sitting when Mr. Dixon spoke, or who have not had an opportunity of reading the minutes of the committee, I would like to quote a small portion of his remarks. He said, and I am now quoting a portion of his remarks:

One of the principles of international trade, as I think you will quickly agree, is that every country in the world tries to do that which it is best equipped to do and perhaps Canada is not ideally suited to make the complete range of textiles for a population of 21 million. We do not have any raw materials here at all in textiles. We have no cotton. We have no wool to speak of, we have about 3.5 million pounds of wool, and the synthetic operations are associated or closely directed by overseas companies. The only textile fibre we have in Canada of which we are a world producer, Mr. Chairman, is asbestos.

I am sure all hon. members would agree that the facts which he outlines, plus our wage rates in the textile and clothing industry which are the highest or second highest in the world, necessitate that our judgments and actions concerning the clothing and textile industry in Canada reflect the economic realities with which we are faced. This means that the industry must direct its resources and initiative into those areas where it is competitive in world markets. I fear that in too many of our commercial endeavours, and not just in the clothing and textile