Japan, developing countries or state-trading countries. This is because of wage rates and other cost differentials or export pricing policies prevalent in those countries. Even with the utmost rationalization, it seems highly unlikely that there would be any possibility of our industry competing with the standard type of product imported from those countries.

In addition, significant new developments are taking place in world textile technology, products and markets. These developments are marked by the use of new machinery, greatly increased demand for fashion, style and higher quality, and by a major shift from the use of natural to man-made fibres. Faced with these new developments, the Canadian prime textile industry finds itself at the crossroads in terms of investment decisions to further convert into specialized products, blends and synthetics, and thereby remain at the vanguard of world textile manufacturing.

Given the importance of the industry within the Canadian economy as a whole, as illustrated by the fact there were $3.3 billion worth of shipments, and the number of jobs at stake, being close to 200,000 in 1969, the government decided, and rightly so, in light of the industry's demonstrated capabilities that it should be afforded some kind of assistance.

• (3:20 p.m.)

When the Minister of Industry, Trade and Commerce (Mr. Pepin) outlined the textile policy in the House last May, some hon. members complained that it was too little and too late. In defence of the minister I should say that this textile policy constitutes a very new and unique approach in respect of aiding a sector of Canadian industry. This is the first time a strategy has been developed for an industry sector which takes into account all considerations. These include such economic considerations as regional interests, interests of the consumer and the producer, growth areas and stability of employment. They include as well such social considerations as adjustment assistance programs for workers and such international considerations as relations with our trading partners, obligations under the general adjustment assistance program and obligations to assist developing countries. The plan also encompasses such relevant policy instruments as trade policy, industrial policy including research development, marketing, industrial development and so on. This is also the first time that close co-operation during the policy formulation stage has been maintained throughout between the federal government, industry, labour and the provinces.

Contrary to what some hon. members say, Mr. Speaker, this is not a protectionist policy. We heard from the hon. member for Saint-Hyacinthe (Mr. Ricard) about how important protection is to us or how important he alleges it is. He said we could not compete in free markets. He pointed out that a number of Canadian businessmen say, from time to time, that they see a policy of protectionism developing in the United States. They also point to the domestic policy in Japan which is highly protectionist. Some people look upon the apparent enthusiasm of the government to rush in and embrace free trade in general as an indication that they are the boy scouts of GATT.

In my judgment, on the other hand, Canada has no alternative but to accept free trade. One must recognize that of every dollar's worth of goods produced in Canada over 40 cents is in respect of goods sold abroad. In other words, nearly half the goods produced in Canada are sold abroad. In Japan, by contrast, the figure is about 10 cents of every dollar. It can be seen, therefore that proportionately our dependance on foreign trade is four times greater than that of Japan. The figure for the United States, I believe, is about 12 cents of every dollar's worth of goods produced represents goods sold abroad. When we compare the situation in other countries to the situation in Canada we realize that, far from being boy scouts in our attitude towards GATT, we are doing the only thing we can to protect our economic interest today. The allegation that Canada can or should adopt a policy of protectionism is entirely unacceptable to me.

The figures from the textile and clothing industries speak for themselves. During 1969, Canada's per capita consumption of imported clothes and textiles amounted to $28.43 U.S. That compares with $15.61 for the United Kingdom, $10.40 for the United States and $6.86 for the European economic community. So, although we have the fear expressed by the hon. member for Coast Chilcotin (Mr. St. Pierre), and a very valid one, that this policy might some day be used for protection, we can see from the figures I have put forward that we are a very long way from having policies which could in any way be alleged to be protectionist. The aim of the textile policy is to encourage the Canadian industry to become and remain internationally competitive by specializing in the more sophisticated types of fabrics and products where factors other than basic import costs, such as style, quality, fashion and delivery, are predominant.

It is true that there will be a certain measure of protection accorded to Canadian industry, but it is important to remember the two main features attached to this protection. First, it is not granted automatically in that companies will have to satisfy the Textile and Clothing Board that imports are causing or threatening serious injury and that their own plans, which will have to be prepared by them with government assistance, will in fact enable them to adjust their operations so that they will become viable. Even if these conditions are fulfilled, protection will not be automatic because the final decision continues to rest with the government. The board which is to be set up will perform only an advisory function. The second limitation on the protectionist features of the bill is that any protection accorded will be of a transitional nature and subject to review by the board.

Another feature of the textile policy is that it will facilitate the phasing out of non-viable operations by assuring workers who may be left jobless as a result of such phasing out of adjustment assistance benefits. These have already been outlined by the Minister of Labour (Mr. Mackasey). Any rationalization of an industry can cause unemployment. Indeed, technological change itself causes unemployment. The hon. member for Winnipeg