

from countries in the far East originated from the industry in Canada not being as technologically advanced as its foreign competitors. Again, I think it is most revealing to quote to hon. members the reply which Mr. Bruck made on this particular point. Mr. Speaker, he said, and I quote:

I disagree completely with that view. I think our industry is well up. We are keeping up with the technological advances. It is possible that our industry does not have everything the next fellow wants at all times. This can never be. No country in the world can provide everything, and in that context, as Mr. Armstrong said, we do not expect to have the entire Canadian market. We have 50 per cent now. Perhaps if we had 60 to 65 per cent we would have come a long way. So from the point of view of not keeping up, we say this is completely wrong, we are right there.

I think that I am summarizing the essence of the witness's testimony when I say that, in fact, he admitted that the section of the Canadian textile and clothing industry which specializes in cotton goods can never, in the foreseeable future, become competitive with goods produced abroad. Notwithstanding this admission, he still feels that the industry should be entitled to some 60 or 65 per cent of the Canadian market in these products. While that viewpoint is to some degree understandable coming from the industry, I do not think it is at all understandable or justifiable when we relate it to the broad and vast interests of the Canadian public as a whole. I think we need to remind the industry, that it exists to serve the needs of the Canadian people and not the reverse. If an industry is not competitive and has few prospects for becoming competitive, and if similar products can be imported from abroad at a price which allows low income Canadian families in particular to benefit from the import, then I think we have a compelling obligation to see that the interests of the greatest number of people are protected.

I simply do not see the purpose of using tariffs or import licences to protect an industry which can never become competitive. I think the history of tariffs or other similar restrictive devices has shown that once erected, they are seldom torn down. Moreover, the countries against whom they are erected usually respond by establishing their own tariffs against those commodities of which we are most productive.

Those hon. members who have followed recent trends in trading patterns cannot, I think, but become gravely concerned at what appears to be the very real possibility that an intense trading war may be developing between the United States and the European Economic Community on one hand, and the United States and Japan on the other. When one bears in mind the size of these trading blocks, and further remembers that Canada is not a member of any of them, it becomes readily apparent that we could be caught in the middle of a giant conflict, thus incurring all of the damage to which we would be subject in such a position.

At the outset of my speech, Mr. Speaker, I spoke of the manner in which the liberal mind distorts realities. The Minister of Industry, Trade and Commerce has stated that this bill has as its purpose the rationalization of the Canadian textile and clothing industries, or certain portions of them. I quite agree that the purpose of the bill is

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to rationalize certain matters, but what concerns me is that the rationalization which the bill may bring about will be the type of rationalization which will permit a number of uncompetitive segments of these industries in central Canada, namely Ontario and Quebec, to remain in existence, while the consumers of western Canada, that is those in the portions of Canada west and north of the boundary of Ontario, will have thrust upon them unnecessary costs through tariff structures to protect an industry which does not warrant protection.

In addition to western Canada, we must also remember those many Canadians in our Atlantic provinces who will also suffer increased costs for cotton imports and who are in an area of Canada not known for high wage rates. As the Minister of Industry, Trade and Commerce has stated on a number of occasions, his department conducted an exhaustive two year study of the Canadian textile and clothing industry as a prelude to drafting the present bill. I should think, as a result of that study, he and his senior officials would know quite clearly at this date that those segments of the textile and clothing industry in Canada which persist in attempting to compete with low cost imports from Japan and Taiwan, Mainland China and Korea, can never become competitive. If they are to remain in the Canadian market, their presence can only be maintained by Canadians having to pay an unreasonable and unjustifiably higher cost for their basic cotton goods than they otherwise would.

Western Canada has become increasingly successful in developing export markets with the Far East. While the bulk of our exports consist of primary industry products, their export is, nevertheless, a significant item in Canada's international balance of payments. In addition, these exports provide a broader and greatly needed economic base in western Canada from which we expect secondary industries will be developed. Western Canadians would naturally and rightly look with the utmost disfavour and concern upon any measures which might be adopted to protect at the possible expense of these markets, industries in central Canada which have for decades been the recipients of heavy tariffs and other protections, all of which have been borne with resentment by Canadians in our western provinces.

I strongly caution the government against passing legislation which will not in any significant way assist those segments of the Canadian textile and clothing industry which are experiencing extreme difficulties in remaining in their fields, and which at the same time will result in Canadians paying unnecessarily increased costs for many textile imports. Not only will import licences restrict choice, but their great harm will be in the potential threat which they represent to some of our largest and best trading partners whose good will we should be cultivating rather than testing.

The real danger in this legislation is that it could so very easily be cited as a precedent by other Canadian industries experiencing difficulties similar to those of our textile and clothing industry which, in fairness, the government ought to extend to them. Are we then to see a proliferation of boards and acts similar to the present