

Proposed Committee on Unemployment

of imported vegetable oils. Half of this importation comes into the country free of duty. This competition has lowered the per capita consumption of butter by about eight pounds. The production of creamery butter in Canada amounted to 21 million pounds last year, more than in 1952. On the first of January of this year stocks of creamery butter totalled 71 million pounds. This amounts to 30 per cent more than on the first of January, 1953, and 58 per cent more than the stocks held two years previously. The national dairy council estimates that on the first of May, 1954, butter stocks will be 35 million pounds greater than the domestic needs, and this at the beginning of the production season of butter. The total amount of butter consumption has dropped 45 million pounds in the past five years, and no doubt a great deal of this is due to dairy substitutes such as edible oils. The per capita consumption of butter dropped 23 per cent during the same period.

Consideration of these figures will give some idea of the uncertainty existing in the dairy industry at the present time and hence some reason for the attitude of farmers towards new equipment and farm machinery. Nor is the domestic market the only cause of the present unemployment situation in the farm implement branch. While there is a decline in the amount of buying on the domestic market, yet the amount of farm machinery exported has dropped.

I was impressed by the brief presented by the Canadian farm implement workers regarding exports of farm machinery from Canada. I am not going to attempt to place on record all the figures that they gave except to point out that the Canadian farm machinery industry has lost \$29 million or over 29 per cent of the export business it had in 1952. In November, 1953, farm machinery exports had barely more than a third of the value of those for a year ago. To summarize, I would say the major causes of the decline have been falling domestic farm income and the loss of export markets for implements and machinery.

When this session of parliament opened I dealt with the position of the textile industry during the debate on the speech from the throne. The textile industry was one of the first industries in the Ottawa valley. In my constituency at the present time this textile industry is going through a period in which mills are closing down or working two or three days a week. I again remind you that in my riding there are twelve textile mills.

I cannot agree with the Minister of Trade and Commerce (Mr. Howe) that the competition in the cotton branch of the industry

[Mr. Blair.]

between the northern and southern sections of the United States is the cause of all our troubles in the textile industry. The Canadian industry is subjected to competition from such countries as Britain, Belgium and Japan. I should like to point out that this industry is responsible for the livelihood of over 100,000 Canadian citizens. It is not my intention to delve into the whole story of the textile industry, but I should like to point out that in whole areas there is marked unemployment, without any apparent hope in the future that things may be better.

The difficulty here would seem to be that the Canadian manufacturers are forced to compete with other countries with lower wage standards and cheaper production costs. Textile imports from these countries are constantly increasing, making it almost impossible for the Canadian industry to survive. In the towns in the Ottawa valley where the textile industry is one of our most important sources of employment, the situation has not improved and under present conditions shows little likelihood of becoming better. It is not sufficient to say that the people who were formerly employed in these industries can seek work in other areas and in other industries. Many people have been trained in both the industries I have mentioned, and have spent their lives in becoming skilled workmen turning out excellent products. They own their homes in the area in which they have been employed, and to attempt to shift the whole population would entail many difficulties. Workmen could not be expected to sell their homes to advantage in a depressed area, nor to attempt to begin all over again by buying a house in another area.

It might be argued that these two industries cannot meet competition, but to my mind they both are necessary to the economy of Canada. It is too much to expect that skilled workmen should change their lifework in such a situation. This unemployment cannot be classified as seasonal, certainly not in my constituency of Lanark. With living costs at their present level much distress exists in the affected area. The rise in wages of Canadian workmen is not the only cause of higher production costs. The workman is constantly being squeezed by high living costs and high taxes. You cannot blame him for asking for more money, although it is a fact that this does create a spiral. When a workman is faced with this squeeze between high living costs and taxes, the only solution which he can find is to ask for more money.

Diversification of industry might be an answer in some affected areas. The Canadian textile industry will still remain a part