

textile industry is among the most advanced in the world, the minister is well aware of the fact. Over \$500 million were invested within the past decade in this industry, and I truly feel that those interested in investing are not demanding a 100 per cent take-over of the Canadian market either. I think it is logical to let those people know what percentage of the market the industry can anticipate, of course, provided, it meets all the prevailing market conditions and is as competitive as possible.

There has been a serious drop in employment and revenue in the last few years, following the decline of business, for the benefit of imports from low-cost countries. Now and then, manufactures have closed for one or two weeks; the number of working days were reduced; work shifts disappeared; others have often worked fewer hours in several sectors of the industry. From 1966 to 1968, the total number of lost jobs reached 4,000.

According to the Canadian Textiles Institute, if textile products from low-cost countries had been manufactured in Canada in 1967, the industry would have employed 20,000 people and thousands of others in the clothing industry.

According to a report I received, the shirt industry in Quebec employed 6,008 workers in Quebec in 1965 and only 4,052 in 1969. The fewer number of jobs in the shirt industry is directly related to the drop in the Canadian production. Since 1965, 42 shirt companies had to close down in Quebec and seven in Ontario.

As to the reasons given for the stagnation of the shirt industry, they can be summed up by quoting the report of shirt companies:

[English]

The year 1965 was the peak year for domestic production, however between 1965 and 1969 domestic production declined 10%, feeling the impact of imports. In this same four year period imports went up 58%.

Imports from 1966-1969 totalled 4,484,100 dozen compared to 2,599,400 for the previous years (1962-1965). This is an increase of over 72.5%. By the same token domestic production for 1966-1969 totalled 8,030,200 dozen compared to 7,946,300 dozen from the period 1962-1965 for an increase of 95,900 dozen or 1.2%. In other words, in the most recent four year period for which we have complete statistics compared to the four year period preceding it, imports increased 72.5% and domestic production only increased 1.2%.

The increase in imports during this last four year period of 1,884,700 dozen shirts or an average of 471,175 dozen per year could have meant more than 1,300 direct labour jobs to the domestic industry per year, 60% of which would have been in the province of Quebec. In addition, many more indirect jobs would have been created in supply trades because of the multiplier effect of at least two to one.

[Translation]

With such figures, Mr. Speaker, I quite understand that the government should be seeking new jobs. We want to create new employment, in every field; indeed, in one province, attempts are being made to create 100,000 new jobs. The potential exists, since there are several jobs already. They need not be created, but they certainly need to be protected to enable us to compete in all fairness with the countries from which we import.

The question of the wages paid in the textile industry has cropped up repeatedly. It is interesting to consult the

#### *Textile and Clothing Board Act*

statistics on the hourly wages paid in the shirt industry in some countries. In Hong Kong, the going wage is 22 cents per hour, in Japan, 58 cents, in Singapore, 19 cents; in South Korea, 15 cents and in Taiwan, 20 cents.

Under the latest contracts signed by Quebec shirt manufacturers, there are zones 1 and 2. Zone No. 1 comprises greater Montreal and a territory which is 10 miles wide, and zone No. 2 includes the rest of the province. There is a salary differential of approximately 10 per cent only between the two zones, and we note that the average salary is at least \$2 an hour. It is therefore very difficult for Canadian manufacturers to produce at such a low price what can be imported from countries where cost is much lower than here.

We know that import quotas are not as widespread in Canada as in some of our trading partners. Thus, Japan whose economy is the fastest growing and which is one of our partners, still enforces in 1970, 118 import quotas, despite low salaries.

The Canadian newspaper *Financial Times* of December 15, 1969 reported that Japan is slowly proceeding to remove its tremendous barriers against imports and foreign investments. But Canadian exports and investments are still facing various problems on the Japanese market. By liberalizing its trade, Japan is slowly opening new markets to foreign competitors.

In the next two years, the government intends to abolish 55 of the 118 import restrictions and quotas which are in force at present and can be considered as so many violations of the GATT regulations.

It would be very useful to obtain better statistics on imports.

In the shirt department, there are problems. Some countries have largely exceeded their established quotas and, in the past, this was always discovered too late. With this new legislation, the Board will be in a position to check the facts much more readily and get things going.

Mr. Speaker, clause 21 of Bill C-215 has been referred to. The hon. member for Saint-Hyacinthe seemed most pessimistic when he suggested that 50 per cent of the workers might be fired or replaced. My own attitude is much more optimistic, because from now on all the companies which have managed to stay in this industry in spite of the difficulties that now prevail, will benefit from this piece of legislation. It should not be prejudicial to them. On the contrary, it should provide for the creation of many new jobs.

Of course, among those companies where skills and technology are firmly established, marketing will certainly solve the problems now confronting the Canadian textile industry.

Mr. Speaker, one has to be realistic and realize that these improvements alone will not enable the industry to cope with competition from textile imports from low-wage countries. The Canadian textile industry must do all it can to improve the present situation but it is not yet in a position to prevent this situation from getting worse on account of increased and unfair competition