

*Foreign Investment Review*

tribunal to the Canadian people and I find it is in the neighbourhood of \$300,000 a year with a top salary to its chairman of about \$34,000. What have they done? This is a question we should ask ourselves. What is the board contemplated in this measure likely to do?

In my area there is a Canadian-owned industry processing hides. It was not protected. They have not been able to buy their hides in Canada. They have to import them from Mexico. Then they must compete with foreign labour whose wages are half those paid to workers on similar jobs in Canada. I should like to place on record an excerpt from the statement of the president of that company to show how ineffective are the tribunals and boards which have been set up. The statement is contained in a report delivered to the annual meeting held at the Skyline Hotel in Toronto. The Minister of Industry, Trade and Commerce (Mr. Gillespie) has a copy of this report. Mr. Albert Cook, the president, stated:

The tanning industry has been in existence in Canada for 323 years, since the building of the first tannery in Levis, Quebec. I doubt that the industry has ever in its long history been in as precarious a position as that in which it finds itself today. Unless help is forthcoming soon, the Canadian tanning industry as we know it is on its way out. With it will go the jobs of some 2,500 men and women working directly in the industry and, more important still, the jobs of 25,000 workers in related industries would be affected.

This is a Canadian industry, Mr. Speaker. What are we doing to protect it? Mr. Cook continued:

I speak not only as president of this association but as a Canadian when I say this situation is a matter of national concern. Our industry is unique in Canada. Our member firms are 100 per cent owned and operated by Canadians. We are well-equipped, technically competent and well-managed. In this era of multi-national corporations and the dominating presence of foreign investments in almost every facet of this country's economic activity, a genuine all-Canadian industry is a rarity. But, like the whooping crane, we are an endangered species, threatened with extinction.

I go on, now, to read another excerpt from the report:

In 1960, only 5 per cent of the pairs of shoes sold at retail in Canada were produced outside Canadian factories. Almost half of all shoes sold at retail in 1972 were imported.

We might well ask ourselves at this point what is the use of setting up boards costing the taxpayers millions of dollars when they are not even protecting the industry which is presently established here. I think it is most important we should protect established Canadian industry, and for this reason I am putting parts of Mr. Cook's statement on the record. He continues:

The intrusion of both shoes and leather from other countries into the Canadian market is perplexing, to say the least. The shoes and the leather come mainly from the so-called developing countries where substantial government subsidies to exporters and comparatively low wage structures combined with the very latest in production equipment, often provided at government expense, make it impossible for Canadian-made products to compete in the Canadian domestic market.

I might add, Mr. Speaker, that some of this equipment is provided by the Canadian government itself. The report goes on:

Another factor working against our industry in the past year has been the spiralling price of hides generated by a world shortage... Not only does our industry find itself threatened by imports, but our markets abroad have declined drastically largely due to the devaluations of the pound sterling and the U.S. dollar.

[Mr. Rynard.]

Britain and the United States have been the industry's chief customers. The possibility of replacing these two main markets is non-existent. Other countries are developing their own tanning industries and with them are coming trade restrictions. To quote directly from the report:

Some 65 per cent of domestic leather sales goes into the manufacture of footwear and unless other markets for leather can be developed we have to reply for survival on a continuing domestic market for shoe leathers... It is apparent that the Canadian tanning industry has become almost totally dependent on the Canadian footwear industry for its existence.

A recent study commissioned by the federal Department of Industry, Trade and Commerce shows the folly of this position. The study forecasts that by 1975, only two years away, if the current situation remains unchanged and the trends of the past ten years are allowed to persist, imports of footwear would total 41 million pairs and would result in reduced consumption of Canadian-made footwear to 18 million pairs. I suggest to you that this is a very conservative forecast.

Perhaps it is not quite so conservative, because it was the government which undertook this study, I believe.

It would mean that domestic sales of shoe leather would be reduced by at least 50 per cent.

Clearly, before 1975, unless something is done to rectify this situation, the Canadian tanning and shoe manufacturing industries will be on the ropes, and also the jobs of those Canadians who are employed in these industries.

I think this is most important because, after all, we are dealing here with a Canadian industry.

What is to be done? We have placed all these facts before the federal government. We have placed them before the Minister of Industry, Trade and Commerce in the previous administration, as well as officials of his department. We have privately restated our case for the benefit of the new minister.

I note he is in the House and listening to this. Last May a submission was made to the anti-dumping tribunal but since then we have heard nothing. The anti-dumping tribunal is not a regulatory body but merely makes a recommendation, if so inclined, to the federal government. I do not know whether the federal government have heard anything. If not, I think they should have communicated with this tribunal.

• (1740)

This gentleman winds up by saying:

—I predict the Canadian tanning industry, born in 1651, will before 1975 be preparing its obituary.

I put that on the record, Mr. Speaker, because here is a Canadian industry that is disappearing from the Canadian scene. I should like to know how the minister proposes to deal with this situation, and what he proposes to do about it when the investment review board is set up. I have seen so much political window dressing during my time in parliament, Mr. Speaker, that no wonder I am sceptical. To put the matter in focus, I have put on the record some excerpts from the report of the Tanners Association of Canada.

I suggest that we will have to develop new Canadian industries. I feel that what we have to do is to put much more money into research. I am sure the minister realizes as well as I that it was the United Kingdom that developed the United States and its industrial complex. The United Kingdom also developed Canada. In about the year 1926, if my memory serves me correctly, investments from the