

Textile and Clothing Board Act

means are taken further to increase the cost of living, by increasing prices. I wonder where lies the solution to all that.

The special legislation on the income supplement to be granted to the textile workers is another crutch given to our limping national economy.

After the textile industry, it will be the footwear industry, the tobacco industry, the furniture industry and so on.

The furniture industry is dependent to a large extent on the textile industry, because it uses a great quantity of textile products for upholstery. The furniture industry as all others is on the verge of bankruptcy. Indeed, I could mention several companies which were fairly successful but had to close. The minister is aware of this.

Why is the furniture industry not as profitable as the textile industry? It is because people have no purchasing power. Now, when there is no purchasing power, industry is in jeopardy because it cannot sell its products. When the government raises taxes, increases rates of interest or leaves it to financiers to set them, higher prices follow.

Consequently, it is impossible to compete with foreign countries. It is impossible because the cost price is too high, due to the government's short view policy, which has not foreseen all these things. When new taxes are levied, prices increase as well as the cost of living, and it is more difficult to meet competition and sell our products because people have not the required purchasing power.

All our economy is off balance. It cannot be improved through partial measures. The taxation system is upside down, as well the pension plans, the interest rates, the salary rates, prices, reserves and exemptions from taxes and income taxes. In short, everything is upside down in this country.

As long as the government puts poultices on wooden legs, it will not solve any problem.

The family system, as well as those of education, companies, salaries, incomes, labour and capital are upside down. I repeat: Everything is upside down. As long as we do not attempt to find a solution, things will be the same, everything will go from bad to worse. It is not by issuing crutches to the textile industry workers aged 55 or more that we will remedy the disarray of our national economy. We are wasting time and energy by keeping on groping like that all year long, by passing laws which do not settle anything and which contribute further to mixing up all our economic, social and political activities. Therefore let us have a look, once and for all, at our whole economy, let us explore the basic reason for its over-all of balance! Subsequently we will be able to discover a general remedy, for we have that capacity provided that we want to do it, that we open our eyes and see what is going on.

[Mr. Latulippe.]

Here is what appeared in the newspaper *La Presse* on January 23, 1971, about the textile industry:

January 1970: 80,400 jobs.

September 1970: 77,301 jobs.

Therefore, there has been a decrease of 3,000 jobs in the Canadian textile industry in 1970 (the last statistical data available are for September).

The majority of those new unemployed are Quebecers, since 60 per cent of textile workers live in Quebec.

After such a hard blow will the textile industry, the third most important industry in Quebec, find itself in a dead-end road? No, replies Mr. Frank Brady, general consultant to Dominion Textile. "The industry has everything not only to maintain itself but also to rapidly develop, provided it finds efficient tools to fight against its two greatest enemies: imports from countries (mainly Asiatic ones) with low production costs and... fashion!"

In the first case, the answer must come from the government, according to Mr. Brady, while in the second case the industry itself is involved just as much as the public.

A CAPITAL INDUSTRY

Both because of our climate and because of our comparatively high standard of living, the textile industry has advanced steadily in our country. Every Canadian buys an average of 33 lbs. textiles per year. The problem is that the Canadian textile industry, which at one time was practically the sole supplier of the domestic market, has seen its share of it go down to some 55 per cent in 1970.

This has caused not only employment difficulties but some anxiety as well. The Canadian textile industry, which is well entrenched in Quebec where it employs 56,000 workers, has a turn-over of approximately \$2 billion. Eighty per cent of the industry is Canadian-owned and it enjoys a very good reputation on the domestic market.

• (4:00 p.m.)

In recent years, it has attracted new investments of some \$100 million per year. Should this rate of progress continue, the industry would supply jobs for some 130,000 persons by the end of the seventies, 70,000 of them Quebecers.

WILL PROGRESS CONTINUE?

The point is whether the rate of growth will continue.

According to Mr. Brady, the textile industry is now in a better position than ten years ago for rapid expansion. It has successfully changed over from natural fibers to straightforward manufacture of synthetic fibers. Technologically, the textile industry is up-to-date. According to Mr. Brady, it can compete with any industrialized country, and without special protection.

Mr. Speaker, there are textile plants in my district and I know of one which has spent \$2.5 million on new machinery. Additions were built to receive this new equipment and once all these facilities were provided at a cost of just about \$3 million, they were not even put into operation for lack of outlets for any new products. This machinery is of the latest design and there was hope that new jobs would be created but the opposite occurred; indeed, apart from this expansion, other departments were forced to close because even their production cannot be sold.

These products cannot be sold because there is no purchasing power in this country. I wonder when the minister and the members of this House will get it into their heads that it is not advisable to take away from the citizens all purchasing power by collecting taxes, by charging prohibitive interest rates to industries and to