

Customs Tariff

board that more protection should be provided for the industry in Canada against imports from Italy, Japan and other countries.

The closing of these mills has caused a serious increase in unemployment. My own area has long been well known for its fine textile plants at Galt, Preston and Hespeler, and for the fine products these mills have produced. It is a pity to watch the slow strangulation of an industry which has been carried on almost since confederation, and to see large numbers of people being turned over to the ranks of the unemployed. I sincerely hope we are not to lose the know-how of third and fourth generations of the world's best textile workers, and that is what has been happening in my area, where so many have had to turn to other forms of employment. Their skill and know-how are being lost, and I urge the government to study this situation carefully and make the necessary representations to the tariff board in order to correct this serious situation.

(Translation):

Mr. Lafreniere: Mr. Chairman, it is easy to see that several members of this house are very much interested in the problems of the textile industry.

Well they might, Mr. Chairman, for there are no less than 745 textile establishments in Canada. The industry can therefore be said to be decentralized, a most important feature for the economic life of the country as a whole.

As far as I am concerned, I represent a riding where there is a textile plant, which in 1946-47, was employing about 2,000 workers and has now only 1,200 to 1,300 employees, merely on part time basis, that is, who work only three or four days a week. The same is true, Mr. Chairman, of several larger centres in Canada, particularly in Ontario and Quebec. A number of towns are in the same position as Montmorency, in the riding of Quebec-Montmorency, in that their economic survival depends on a single industry. And since, in most cases, they are textile centres, if the mills should close down, those communities would become ghost towns. That is why it is essential that the government do something to help the textile industry.

Since we are supposed to speak only about woollens, it might also be useful to mention that in Canada some 54 establishments manufacture wool textile, while 36 of them manufacture only or mainly those products. Last May that industry had 11,000 people on its

[Mr. Anderson.]

pay roll, roughly 6,000 less than in 1950. It is sad to note that, in the last four or five years, some 25 factories have shut down and that others are in a shaky position.

Mr. Chairman, this general economic slow-down and this relative lack of jobs in certain areas and industries are what the tariff board had in mind when, last November it launched its inquiry which resulted in recommendations designed to make slight increases and adjustments in the customs duties on British woollens imported into Canada.

The improvement which will result from the adjustments recommended by the tariff board, since implemented by the government, will benefit the public of Canada. Of course, everybody understands that this is a temporary measure, but the government deserves to be commended for taking the only action possible in the circumstances. As everybody knows, we are going through a period where, in spite of the relatively high standard of income per capita and of national income, in spite of the growth in population and increased demand for goods, Canadian industry is losing ground instead of making any headway. Part of the explanation for this seemingly contradictory situation is the fact that world textile production has substantially increased in the last ten years. After the war, Canadian textile manufacturers could profitably market their entire output, not only in Canada but on the international market. Today, foreign producers can supply the demand on the international market at prices lower than production costs of Canadian manufacturers. Accordingly their sole outlets now are on the domestic market. But there also foreign competition is felt to the detriment of Canadian industry. For instance, in 1946, 72.5 per cent of woollens sold in Canada were of Canadian manufacture. For the first six months of 1957, that proportion was reduced to 47 per cent.

Of course, Mr. Chairman, production costs of Canadian textiles are relatively higher than they are in the textile mills of, say, England and Japan. On the other hand, production costs in the Canadian textile industry are not out of line with those of other Canadian manufacturing industries.

It is therefore pretty obvious that this important Canadian industry needs some degree of protection. Its prosperity would benefit all Canada and Canadians. Let us