

ish industry is a most powerful and well-organized machine. Certain other factors enable the British manufacturer to produce more cheaply than the Canadian. They have 50 per cent cheaper labour; they have cheaper coal, lower bank rates, cheaper production and a depreciated currency. During the six months ending March, 1923, 15,800,000 yards of British cloth were sent into Canada, which has a population of eight and a half million, while during the same period only 7,220,000 yards of British cloth were sent to the United States, which has a population of a hundred and fourteen million. The United States, with all its highly organized industry and great capital, felt the necessity of protection against the cheaper imports of Great Britain, and they have successfully overcome this by their tariff, while the woollen industry of Canada has been left to bear this keen competition, and this government now proposes to put it out of business.

The reduction in duty was not enough to make any difference in prices to the consumer, while it is sufficient to allow the British industry to undersell in many lines, throwing the men and women in Canada out of work, reducing our market, decreasing our population, and driving our skilled labour to the United States, where they are keenly anxious to get our people. To-day every country in the world, except Canada, is in some form or other increasing its protection to its industries. Canada is the only country in the world that is making it easier for the foreign producer to sell in our markets, and make it more difficult for our own people to retain their own markets.

What is the position of the Canadian woollen industry to-day? In a summary of the situation, as presented by the representatives of the industry who waited on the Acting Finance Minister (Mr. Robb) before the present budget was brought down it was shown that:

Twenty mills are closed since January 1st, 1923, out of 124 woollen and knitting mills on which we have reports. Idle machinery to-day in the 124 mills reporting is as follows:—Looms, 40 per cent; Cards, 33 per cent; Mules, 24 per cent; Dyeing and Finishing, 28 per cent; Knitting, 41 per cent; Sewing, 44 per cent or an average of over 40 per cent of the machinery idle. There is considerable reduction of operating machinery over 1923, which was an extremely unsatisfactory year for the mills. To-day only 10,799 hands are employed in the mills reporting, while if these mills were working full time, they would employ 23,055 hands.

Out of the mills reporting, only 58 could report on the number of their employees who have gone to the United States since January 1st, 1923, and these did not give all those who actually left the country, but only those highly skilled workers they actually know about. The figures for the 58 mills are: Employed when mills are on full time, 11,244; employed to-day, 7,376; known to have left for the United States, 776.

[Mr. Preston.]

This represents over 10 per cent of those now employed in these mills.

While these figures reflect the serious condition in Canadian mills during 1923, and the more serious situation at the present time, we find that over \$40,000,000 worth of woollen and knitted goods were shipped to Canada from abroad during the calendar year 1923 of which over \$30,000,000 worth were shipped into Canada from Great Britain. On careful analysis of these imports, we find that there is the machinery and technical ability in Canada to manufacture from 80 per cent to 90 per cent of these imports, and if the bulk of the imports had been manufactured in Canada, it would have employed from 17,000 to 20,000 additional hands throughout the year.

It was submitted that the woollen and knitting industry, which is indigenous to Canada, and of which 94.4 per cent of the industrial capital employed is owned by Canadians, should be safeguarded by tariff adjustments, otherwise capital employed would be dissipated, and the employees thrown out of work or largely transplanted to the United States. In the present unsettled political and economic condition of European countries it may possibly be a fatal policy to rely upon an uninterrupted supply of necessities of life, such as woollen and knitted goods to Canada from European sources, including Great Britain. They asked that in the present budget, adjustments of the tariff and regulations regarding the tariff be made to safeguard this industry which is necessary to the full development of Canada along national lines. With this end in view they submitted certain points for consideration. Unlike any other industry in Canada, their main competition for the home market comes from goods shipped from Great Britain. Of the total imports into Canada dutiable under the British preference, one third is in competition with their industry, and their industry therefore bears one third of the burden of the British preference. And since wages and overhead, which is wages in another form, are much lower there than in Canada, Great Britain would have a natural preference in Canada, even if preferential rates of duty were not granted. On examining wage figures supplied by the Ministry of Labour, London, we find that the wages in the woollen and knitting trade in Great Britain were 66 per cent higher in December 1920, than they are now, while in the industry in Canada, the wages are governed by the wages paid in the United States and have not been reduced more than an average of 10 per cent.

Duties on goods from Great Britain were lowered in 1922 and again in 1923. Invoices for duty purposes are valued at the exchange value of sterling on the invoice date, instead of at par value, thus lowering the actual amount of the duty as provided by the tariff.