

Labour and Management Adjustments to a Changing International Economic Environment

Adaptation de l'employeur et de l'employé à un milieu économique international en évolution

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Résumé de l'article

Encourager l'expansion du commerce entre les nations est l'une des tâches les plus difficiles et les plus importantes auxquelles le Canada doit faire face. Notre pays remplira ce rôle en participant aux négociations qui se déroulent sur le plan international en vue de réformer le système monétaire mondial dans le cadre d'un Fonds monétaire international renforcé. Il peut aussi s'acquitter de sa tâche en participant à la troisième ronde importante de négociations sur le commerce entreprises à l'échelle mondiale depuis la fin de la guerre en vue d'arriver à un nouvel Accord général sur les tarifs douaniers et le commerce (GATT), et de réduire de façon spectaculaire les entraves au commerce international.

C'est dans ce contexte international que le Canada s'efforce de réaliser ses objectifs sociaux et économiques. Le Canada connaîtra la prospérité dans l'avenir si employeurs et employés savent tirer profit des possibilités nouvelles qui s'offrent sur le plan du commerce international et s'adaptent efficacement et équitablement aux conditions changeantes du marché et de la concurrence.

Le Canada, plus que la plupart des autres pays industrialisés, compte sur les exportations pour maintenir son niveau de vie. À titre de pays en voie de développement, le Canada a traditionnellement été un exportateur de matières brutes.

Depuis déjà plusieurs décennies, le nombre de Canadiens employés dans les industries du secteur primaire fondées sur nos ressources naturelles décline constamment. Il y a cinquante ans, environ la moitié de la population active travaillait dans ces industries. Maintenant, dix pour cent à peine y travaille.

Deux raisons importantes viennent expliquer cette brusque diminution de l'importance relative de l'emploi dans les industries de ce secteur. D'abord, au Canada et dans le monde, la demande de produits du secteur primaire de l'agriculture, de la forêt, de la mer ou des mines baisse continuellement en proportion de la demande totale de biens et de services. En second lieu, et c'est un fait très révélateur, les heures-hommes nécessaires à la production d'une quantité donnée de ces produits primaires diminuent brusquement et constamment. Les industries du secteur des ressources sont devenues des industries de capital. Par conséquent, tout en supposant que la demande de leurs produits puisse s'accroître sensiblement, ces industries n'offriront d'ici 1980 qu'une faible possibilité d'emploi, si toutefois elles en offrent, à notre population active croissante.

Les industries d'extraction ont toujours constitué le pilier économique de la vie rurale et de celle des petites villes. Leur déclin a entraîné la migration vers les grands centres urbains et la formation de vastes groupes de chômeurs ou de personnes sous-employées dans certaines régions défavorisées du point de vue économique et social.

Nous sommes d'avis que nous ne réussirons pas à réduire le niveau de chômage à moins d'accroître l'emploi dans les industries de fabrication. Chaque nouvel emploi manufacturier créera, à son tour, d'un à trois emplois de plus dans l'économie. Il va de soi que la production et la conservation d'emploismanufacturiers revêtent une importance capitale pour la stabilité de l'économie canadienne.

Pour apporter une solution intelligente et efficace aux grands problèmes du chômage, aux problèmes structurels et régionaux qu'entraîne l'adaptation aux circonstances changeantes de l'économie, de la technologie et du commerce, et aux problèmes de croissance économique inhérents au plein emploi de la population active en voie d'expansion, notre gouvernement a mis au point des programmes régionaux élaborés et dispendieux pour stimuler et encourager une saine expansion économique dans les régions où le chômage est élevé, de même que des programmes de formation, de recyclage et de déplacement de la main-d'oeuvre. En outre, le gouvernement applique des programmes spéciaux pour aider les employeurs et les travailleurs dans certaines industries comme celles du textile et du vêtement.

Il importe de signaler que nos politiques et nos programmes en matières d'expansion régionale et de main-d'oeuvre sont des exemples concrets du fait que les problèmes régionaux du Canada ont aussi un caractère national. Pour qui connaît la situation au Québec ce fait est compréhensible. La nouvelle politique du Canada au sujet des industries du textile et du vêtement illustre bien le fait qu'il faut tenter d'apporter aux problèmes régionaux des solutions à caractère national. Les problèmes de restructuration que connaît l'industrie du textile et du vêtement ne peuvent être qualifiés de problèmes régionaux qui ne touchent que le Québec et l'Ontario où se concentre en grande partie cette industrie.

L'industrie du textile et du vêtement est importante non seulement pour le Canada tout entier, mais aussi pour de nombreuses localités où elle est virtuellement la seule industrie et où, sans elle, il ne pourrait y avoir de vie économique. S'il devait se produire un accroissement sensible du taux de chômage dans les industries manufacturières qui sont des industries de main-d'oeuvre, la situation serait extrêmement critique. La taille de l'industrie du textile et du vêtement et son emplacement dans des régions où le taux de chômage est élevé et où les possibilités d'emploi dans un autre secteur sont limitées font ressortir le sérieux des problèmes très évidents qu'entraîne le changement de rythme que connaît cette industrie.

La concurrence internationale intense qui se fait jour au sein de cette industrie entraîne des problèmes compliqués sur le plan économique, social et politique. Il ne faut pas traiter à la légère les dangers réels et graves que présente la concurrence étrangère, excessive, serrée et préjudiciable. Le gouvernement cherche à éviter et à prévenir les situations qui se créent lorsque le rythme de l'évolution dépasse notre capacité d'adaptation. Il doit aussi chercher à renforcer l'aptitude des employés et des employeurs à s'adapter plus rapidement, plus efficacement et de façon plus constructive aux changements de la concurrence étrangère.

Le progrès que nous accomplissons sur le plan social et économique grâce à notre attitude positive et constructive, de même que notre saine adaptation au changement, dépendront en dernière analyse de la mesure dans laquelle nous réussirons à régler nos conflits internes et les conflits qui opposent les nombreux groupes d'intérêts divers, notamment les employeurs et les employés. Bien qu'ils soient encore à la recherche de meilleures solutions, ces deux groupes ont très bien réussi dans l'ensemble à s'adapter, depuis la dernière guerre, aux variations des conditions économiques internationales.

Labour and Management Adjustment to A Changing International Economic Environnement

Harry J. Waisglass

In this paper the author delivers some thoughts on the international setting in which Canada is striving to achieve its social and economic goals.

Economics has been characterized as a dismal science. Our struggles to solve such current and persistent economic problems as unemployment, inflation and poverty, within community, provincial and regional dimensions, do not often foster an optimistic outlook. Economics tends to become more dismal, I think, when it compels us to look into the future, and beyond our own borders. The international complexities seem to magnify the problems and uncertainties of the future. And the human frailty to fear the future tends to obscure our real opportunities and possibilities ; and to undervalue the strengths of our knowledge and skills acquired through past experiences.

In looking at the past, present and future for adjustments by labour, management and governments to a changing international economic environment, I was reminded of an ancient Hebreuy proverb :

« It is not incumbent upon us to finish the task, nor are we free to desist from it. »

A number of recent developments in the national and international economic communities has once again emphasized the economic interdependence of nations. Indeed, there are very close similarities in the complexities of economic developments and problems facing most western developed economies. Most of these economies are in an expansionary phase of the business cycle, and all are beset by the problem of inflation. There is general concern with the future of the international monetary system and the direction of international trade. These are but a few of the concerns shared by most nations. The outcomes in these and other areas are obviously of great significance to Canadian economic development. Whatever these outcomes might be, there is no doubt that they will require considerable adjustments in Canada's economic and social systems :

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« Against the background of a substantial reduction in trade barriers since the Second World War, Canada, like other industrial countries, has come to rely more and more on foreign trade to sustain and improve its economic performance. Many factors besides commercial policy have, of course, contributed to Canada's trade growth, including the growth of domestic markets which have provided a stronger base for successful export expansion in various industries. Exports now equal about half the output of Canada's goods-producing industries, and nearly half the goods supplied to Canadians are imported. Growth of exports and imports facilitates more efficient use of productive resources, permits greater specialization, and help to reduce costs and to increase real income per capita. »¹

The present unemployment problem should be viewed in the perspective of the expected high rate of growth of our labour force throughout the 1970's. This derives from the exceptionally high birth rates from the late 1940's through the 1950's. To achieve full employment of the Canadian labour force, the Economic Council estimates suggest that some 2.6 million jobs will have to come into existence during the decade.

It should be emphasized that this 2.6 million figure refers to *new* jobs, a net increase in the number of jobs. It does *not* include the large numbers of jobs that will be changed or destroyed and will have to be replaced by structural changes in our economy.

Structural changes have had and will continue to have a very substantial and important place in the evolution of the Canadian national economy.

The structural changes in the Canadian economy have had direct and profound impacts upon our political history, our problems of building a nation, our federal system of government, and the shaping of national policies, because the structural economic changes have always presented regional problems which required national solutions. The regional manifestations of structural economic changes are evident not only in the historical evolution of our national economic policies, such as on transportation, trade, energy, and capital formation, but also in our searches for solutions to our social, cultural and political problems. And it should be pointed out that Canada's problems of balancing regional interests in building a nation with viable economic, social and cultural policies, are not made any easier by our geography, stretching from the Pacific to the Atlantic coasts, and by our close proximity to the United States.

As to, the nature and extent of the structural changes in our national economy and their regional implications, let us note that we are expe-

¹ Economic Council of Canada, *Seventh Annual Review — Patterns of Growth*, September, 1970, p. 75.

riencing a steady decline in the extent to which people live directly off the resource industries. For many decades now, the proportion of Canadians employed in the primary industries based on our natural resources has been declining. Fifty years ago, about half of our labour force was employed in these industries. Now, it is less than 10 per cent.

There are two main explanations of this sharp decline in the relative importance of employment in the resource industries. First both the Canadian and the World demand for the primary products of farm, forest, sea or mine has been steadily decreasing in proportion to the total demand for goods and services. Secondly, and very significant, the man-hours required to produce any given quantity of these primary products has been dropping sharply and persistently. The resource industries have become very capital intensive. Therefore, even if a substantial increase in the demand for their products is to be assumed, they would offer very little, if any significant prospects for providing employment to our expanding labour force over the rest of this decade.

The extractive industries have traditionally formed the economic backbone of rural and small-town life. The consequences of their decline have been migrations to the large urban centres and the build-up of large pools of unemployed and under-employed peoples in economically and socially depressed regions.

The people who are displaced from the primary industries must overcome great difficulties before they can obtain employment in the secondary and tertiary industries. *First of all*, they would have to move to another region, or to the big cities, where these industries are located. This presents substantial problems of social and cultural adaptation from a rural to an urban way of living. For many families, such migrations are not possible or acceptable, even with government financial assistance for relocation. *Secondly*, the kinds of labour or skills required by the secondary and tertiary industries are very different from those required, for the most part, by the primary extractive industries. The need for physical strength and manual dexterity has been largely replaced by the need for a high level of literacy, for professional and technical knowledge, for clerical skills and for sophistication in the handling of complicated processes and large bodies of information. Many of the displaced workers remain unemployed or under-employed in the depressed regions because they cannot be retrained for new occupations. Government retraining programs are more helpful for the younger workers. But the retraining process takes time and money, and there are practical limits, in any year, on the numbers of workers who can be assisted through retraining to adjust to new occupations.

It is evident, therefore, that our concern about unemployment embraces our entire economy and does not centre solely upon a few industries such as textile, clothing, and footwear. We believe that we can-

not successfully reduce our unemployment levels unless we can expand employment in the manufacturing industries. Emphasis must be placed on the fact that manufacturing jobs generate additional jobs in the service and allied industries.

Each new manufacturing job will create, in turn, from 1 to 3 more jobs in the economy. The resource industries do not have the same job generating effect. And because of the capital intensive nature of the resource industries, they cannot be expanded sufficiently to employ the new and more highly educated entrants into our labour force. Political pressures have been mounting in favour of policies for the processing of raw materials in Canada.

It is apparent that the generation and retention of manufacturing employment is of crucial importance for the health of the Canadian economy.

All the regions and provinces of Canada have not benefited equally from the high rate of growth of the Canadian economy in the past two decades. In fact, the conditions of relative prosperity since 1945 have emphasized the existence of significant and persistent interregional differences in income and employment opportunities. This has been particularly true in Quebec and the Atlantic Provinces where personal income per capita has ranged substantially below the national average : about 10 to 15% for Quebec and about 25 to 30% for the Atlantic Provinces.

Since the late fifties, in an attempt to reduce these disparities, the federal and provincial governments initiated a variety of limited and short-term programmes. While these met with some success, they were generally unco-ordinated and did not provide sufficient and appropriate thrust and strength to cope with the problem.

As a result, on April 1, 1969, Parliament terminated a number of the existing agencies and programmes or incorporated them within a new Department of Regional Economic Expansion.

The Department was designed as the instrument for a major federal effort to reduce the economic and social disparities between the various regions of Canada and the legislation therefore, made the Minister of Regional Economic Expansion responsible, in the federal jurisdiction, for « economic expansion and social adjustment in areas requiring special measures to improve opportunities for productive employment and access to those opportunities ».

In order to cope intelligently and effectively with the major problems of unemployment, the structural and regional problems of adjustments to changing economic circumstances, technology and trade, and the problems of economic growth for the full employment of an expanding labour

force, our government has developed elaborate and expensive regional programs to stimulate and promote sound economic expansion in the regions of high unemployment, and manpower programs for training, re-training, and relocating the labour force. In addition, there are the special programs of assistance to employers and workers in certain industries, such as textiles and clothing, which will be explained later.

It should be emphasized that our regional expansion and manpower policies and programs are concrete examples of the fact that Canada's regional problems are national problems. Anyone who knows the situation in Quebec will understand this fact. And the new textile and clothing policy for Canada is another example of how regional problems must seek their solutions within a national framework.

It should be clearly obvious therefore that the restructuring problems faced by the textile and clothing industry, as an example, cannot be regarded as regional problems for Quebec and Ontario, in which provinces the industry is to a large extent concentrated. There are segments of the industry also in Manitoba, Alberta, British Columbia and in the Maritime Provinces. But it is not the geographical dispersion of the industry that determines the national significance of the restructuring problems. Even if all of the industry would be in one province, its problems would be no less serious and important as a national problem.

Therefore, the current unemployment problem for Canada is not just a cyclical problem. Nor should be regarded as a permanent problem. There are substantially serious structural problems that will take some time to work out, given appropriate policies and a favourable international climate. It takes time to get new industries to locate in the depressed areas, and time for the older industries to make necessary adjustments. The new industries tend to be capital intensive and the necessary capital requirements are not obtained over night. Also, it takes time and money to retrain the labour force for the new jobs.

It should be emphasized therefore that any significant rise in unemployment in labour-intensive manufacturing industries, like textile and clothing, would be extremely critical. The size of the textile and clothing industry and its location in regions of high unemployment and limited alternative employment opportunities makes the problems caused by the industry's change of pace not only very critical, but also very conspicuous. The nature of the problems presented by the intensification of the industry's international competitive environment are seriously complex economically, socially and politically. The dangers of excessive, severe and injurious foreign competition are too real and too serious to be treated lightly. Public policy seeks to avoid and prevent situations where the pace of change exceeds our capacities to adapt to them. Such circumstances present disruptive and destructive threats. The dangers are that the capacities of our orderly systems and processes for peaceful,

positive and constructive adjustments could be undermined or destroyed. At the same time, public policy must seek to strengthen the capacities of labour and management to adjust more quickly, more effectively, and more constructively to changes in foreign competition.

The textile and clothing industry is an important industry not only for Canada as a whole, but also for numerous localities where it is virtually the only industry, or where there could be no economic life without it. The industry has a strategic importance because it can employ large proportions of people who are not highly skilled technically. The industry is capable of training its own work force, drawing on a pool of unskilled workers for whom alternative employment opportunities are very much limited.

We are very much aware of Canada's long-term interest in maintaining expansionary trade policies. We are conscious also, however, that sound, solid and sustainable progress for trade expansion depends upon the steady growth of stable support for expansionary trade policies, both externally (among the world's trading nations) and internally (among the workers and employers in the industries affected by changing trade conditions).

The policies which we are pursuing, in order to encourage and assist adjustments to structural changes in the industry, serve the purpose of strengthening domestic support for expansionary trade policies. It is not the intention of the government or the industry in Canada to seek an indefinite or permanent « status quo situation ». We recognize that practical and durable solutions require the adoption of rational policies and procedures to achieve a viable restructuring of the industry. We are already off to a good start, since the government's new textile and apparel policy was announced a few years ago. A program of financial assistance to workers affected by the transition has been formulated by the Department of Labour and has been implemented. There are also programs established by the Department of Industry, Trade and Commerce to assist employers in the restructuring of the industry.

It must be recognized that the rationalization and restructuring program has commenced only recently and that a reasonable amount of time is required in order to achieve its purposes with the least possible harmful effects upon the communities involved. We must keep in mind the nature of the industry's location, especially where a textile plant may be virtually the sole source of employment for an entire community.

As I have already pointed out, the Department of Manpower and Immigration and the Department of Regional Economic Expansion have developed programs to retrain employees and attract diverse industries. It takes time for these programs to produce results, so that it is imperative to retain the existing jobs, as much as possible, over the period of transition.

We hope that within several years the opportunity for manufacturing employment will have become far more diversified, the single-enterprise community will have had the impetus of additional manufacturing facilities, and the urgent requirement for the quota system may diminish.

One of the most difficult, challenging and important tasks confronting Canada today is in the restructuring and reshaping of our international economic environment, to improve the conditions and opportunities for the expansion of trading relations among nations, through our participation in the international negotiations for a reformed world monetary order, within the framework of a strengthened International Monetary Fund ; and through our participation in the third major round of world trade negotiations in the post-war era, for new General Agreement on Tariffs and Trade (GATT), aimed at dramatically reducing the barriers to international trade.

It is in this international setting that Canada is striving to achieve its social and economic objectives. It is apparent that the solutions to the problems in the international community will have important consequences for Canada's destiny. To the extent that the GATT negotiations are successful in achieving the objectives of removing or lowering the tariff and non-tariff barriers to trade, Canadian industries will have enlarged opportunities to expand trade and production. At the same time, however, labour and management in Canadian industries will be confronted with greater problems of restructuring and modernizing their production and distribution systems, in the pursuit of higher levels of employment, productivity and labour incomes.

One of the main keys to Canada's future prosperity is the ability of labour and management to take advantage of new and expanding opportunities in international trade, by adjusting to changing market conditions and competitive relationships, both efficiently and in an equitable manner.

The effectiveness of the mechanisms of labour-management adjustments at the level of the enterprise in each Canadian industry will determine the extent to which Canada can achieve its economic and social goals.

Workers who have realistic and secure employment prospects and firms which can switch readily to new, improved, and more profitable product lines will not fear or resist change. People who fear unemployment and bankruptcy, who lack confidence in their ability to adjust to changing competitive conditions, can not be convinced that change is good.

Labour, management and government need to improve their knowledge and skills for making the adjustment processes work better, and to design more efficient and equitable adjustment mechanisms.

The efficiency and effectiveness of our adjustment mechanisms will determine the extent of our expansion of international trade, our economic growth and social development. Labour and management have much at stake to make these mechanisms work well.

The effectiveness of our socio-economic adjustment mechanisms are vital for Canada : more than anything else, it could determine the extent to which our unemployment rates can be reduced without raising the inflation level (that is, it will lower the inflation-unemployment « trade-off »).

Canada depends more on exports for its standard of living than most other industrialized countries. Traditionally, Canada, as a developing country, has been an exporter of raw materials. This no longer serves our developmental needs. Canada has to develop manufacturing and the raw material processing sectors, to provide employment for a growing labour force and to maintain improvements in living standards and the quality of life. Furthermore, we have a large geographic area and a comparatively small domestic market, with high cost of access to its own and foreign markets. Canada is not a member of any trading bloc within which adjustment strains can be mitigated.

As a result of this situation Canada has developed a wide range of programs to facilitate the adjustment process and to remove some of its sting. However, we will be reviewing those mechanisms to see whether they will continue to meet the needs of the new situations created by GATT negotiations. We are making provisions for better consultation with labour and management to assist them to benefit from change and progress.

The federal government has introduced over the last few years a number of important and far reaching initiatives to deal with problems of seasonal, cyclical and structural unemployment. It is also undertaking, in conjunction with the provinces, a fundamental review of social security in Canada.

One major initiative in dealing with seasonal and frictional adjustments in the labour market was to amend and improve our Unemployment Insurance Act.

The federal government has also taken initiatives to provide more stream-lined manpower counselling and job search assistance for those on unemployment insurance or on welfare.

On trade specific issues, the Federal Government established in 1971 the Textile and Clothing Board to make recommendations as appropriate for protection and special adjustment assistance for workers in the event that pertinent goods were to be imported at such prices, in

such quantities and under such conditions as to cause or threaten serious injury to the production in Canada. The Board has also to take into consideration first, the principle that special measures of protection are not to be implemented for the purpose of encouraging the maintenance of lines of production that have no prospects of becoming competitive in the market in Canada ; and second, the conditions prevailing in international trade relevant to textile and clothing goods.

The Canada Department of Labour has research under way, aimed to assist unions and management in strengthening and improving their adjustment mechanisms. Their implementation relies on voluntary efforts of parties rather than on legislative measures. The objectives are :

- to prepare situation reports and recommendations on significant current and prospective developments in Foreign Trade (Exports and Imports) Policies and Conditions, as they affect employment, labour incomes and working conditions, and as they may be affected by labour disputes ;
- to study the industrial relations implications of proposed changes in tariff and trade policies, and to forecast their effects on the needs for labour adjustment and income maintenance programs ;
- to study the social and labour obstacles and effects of the general trend towards free world trade, and to develop policy proposals designed to alleviate hardships and to facilitate adjustments among workers, and simultaneously to encourage expansionary trade policies ;
- to develop and evaluate policy alternatives, with emphasis on their labour aspects, that would strengthen the competitiveness of Canadian industry and facilitate labour and management adjustments to changing international circumstances, including multi-lateral reductions of tariffs and trade barriers.

Hopefully these various initiatives will enhance the right of Canadians to pursue their material well-being in conditions of freedom, dignity, economic security and equal opportunity, and will contribute to the growth of a more cooperative international trading community.

Our confidence and faith in the future is based essentially on the social and economic progress we have made as a nation and on our will and capacity to build upon our achievements of the past. Through intelligence, adaptability, inventiveness and hard work, Canada has had a large measure of success in developing its resources, in managing its economy, and in obtaining and maintaining competitive advantages for

Canadian goods in international trade. We co-operated with other nations in creating progressively a more favourable international environment for the expansion of trade. And while they are still searching for better ways, labour and management have made, by and large, some very substantial and successful adjustment, in the post-war era, to changing international economic conditions.

Our remarkable progress can be attributed to successful initiatives that have been taken in both the public and private sectors. We have come to recognize the interdependence of the two sectors: neither can progress very far without the other.

Not all initiatives have been equally successful, but there has been a will to search for and try new and better ways, and to learn from the experiments that have failed. Nor have we been able to progress without conflicts, both within and between the private sectors. However, we have strengthened our capacities to manage and resolve conflicts, by and large, to produce positive and constructive social and economic changes, through the development of our institutions, such as collective bargaining.

Positive and constructive changes for social and economic progress, and effective and efficient adjustments to change, will depend ultimately on how well we manage our internal conflicts, on how successfully we can resolve the conflicts between and among the many difference interest groups, particularly labour and management.

TABLE 1. POST- WAR STRUCTURE OF TRADE

(Current Dollars - Millions)

	<i>Exports</i>	<i>Imports</i>	<i>Gross National Product</i>	<i>Exports % of GNP</i>	<i>Imports- % of GNP</i>
1947	3,661	4,055	13,473	27.2	30.1
1952	5,568	5,369	24,588	22.6	21.8
1957	6,379	7,767	33,513	19.0	23.2
1962	8,234	9,045	42,927	19.2	21.1
1967	14,663	15,234	66,409	22.1	22.9
1972	24,497	25,305	103,407	23.7	24.5

Source: *National Income and Expenditure Accounts*, Statistics Canada.
Catalogue No. 13-001.

TABLE 2. THE STRENGTH OF FOREIGN TRADE

	Jan.-July 1973	Jan.-July 1972	1971	1970	1969	1968	1967	1968	1965	
	-----\$ MILLIONS-----									
Total exports	13,775	10,941	19,977	17,847	16,458	14,504	13,220	11,112	10,071	8,525
Food, feed, etc.	1,502	1,089	2,267	2,054	1,800	1,410	1,554	1,602	1,889	1,630
Crude materials	2,667	1,948	3,551	3,200	3,064	2,463	2,471	2,108	1,947	1,764
Fabricated products	4,696	3,730	6,651	5,904	5,866	5,163	4,885	4,229	4,012	3,729
End products	4,802	4,107	7,374	6,589	5,628	5,378	4,244	3,107	2,119	1,300
To U.S.	9,630	7,717	13,922	12,149	10,641	10,274	8,892	7,079	6,028	4,840
To Japan	936	500	962	791	793	625	607	572	394	316
To U.K.	826	765	1,328	1,361	1,480	1,096	1,210	1,169	1,128	1,174
To E.E.C.	732	604	1,125	1,101	1,189	841	748	677	637	626

Source : *Summary of Exports*, Statistics Canada, catalogue No. 65-002

Adaptation de l'employeur et de l'employé à un milieu économique international en évolution

Encourager l'expansion du commerce entre les nations est l'une des tâches les plus difficiles et les plus importantes auxquelles le Canada doit faire face. Notre pays remplira ce rôle en participant aux négociations qui se déroulent sur le plan international en vue de réformer le système monétaire mondial dans le cadre d'un Fonds monétaire international renforcé. Il peut aussi s'acquitter de sa tâche en participant à la troisième ronde importante de négociations sur le commerce entreprises à l'échelle mondiale depuis la fin de la guerre en vue d'arriver à un nouvel Accord général sur les tarifs douaniers et le commerce (GATT), et de réduire de façon spectaculaire les entraves au commerce international.

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Le Canada, plus que la plupart des autres pays industrialisés, compte sur les exportations pour maintenir son niveau de vie. À titre de pays en voie de développement, le Canada a traditionnellement été un exportateur de matières brutes.

Depuis déjà plusieurs décennies, le nombre de Canadiens employés dans les industries du secteur primaire fondées sur nos ressources naturelles décline constamment. Il y a cinquante ans, environ la moitié de la population active travaillait dans ces industries. Maintenant, dix pour cent à peine y travaille.

Deux raisons importantes viennent expliquer cette brusque diminution de l'importance relative de l'emploi dans les industries de ce secteur. D'abord, au Canada et dans le monde, la demande de produits du secteur primaire de l'agriculture, de la forêt, de la mer ou des mines baisse continuellement en proportion de la demande totale de biens et de services. En second lieu, et c'est un fait très révélateur, les heures-hommes nécessaires à la production d'une quantité donnée de ces produits primaires diminuent brusquement et constamment. Les industries du secteur des ressources sont devenues des industries de capital. Par conséquent, tout en supposant que la demande de leurs produits puisse s'accroître sensiblement, ces industries n'offriraient d'ici 1980 qu'une faible possibilité d'emploi, si toutefois elles en offraient, à notre population active croissante.

Les industries d'extraction ont toujours constitué le pilier économique de la vie rurale et de celle des petites villes. Leur déclin a entraîné la migration vers les grands centres urbains et la formation de vastes groupes de chômeurs ou de personnes sous-employées dans certaines régions défavorisées du point de vue économique et social.

Nous sommes d'avis que nous ne réussirons pas à réduire le niveau de chômage à moins d'accroître l'emploi dans les industries de fabrication. Chaque nouvel emploi manufacturier créera, à son tour, d'un à trois emplois de plus dans l'économie. Il va de soi que la production et la conservation d'emplois

manufacturiers revêtent une importance capitale pour la stabilité de l'économie canadienne.

Pour apporter une solution intelligente et efficace aux grands problèmes du chômage, aux problèmes structureux et régionaux qu'entraîne l'adaptation aux circonstances changeantes de l'économie, de la technologie et du commerce, et aux problèmes de croissance économique inhérents au plein emploi de la population active en voie d'expansion, notre gouvernement a mis au point des programmes régionaux élaborés et dispendieux pour stimuler et encourager une saine expansion économique dans les régions où le chômage est élevé, de même que des programmes de formation, de recyclage et de déplacement de la main-d'oeuvre. En outre, le gouvernement applique des programmes spéciaux pour aider les employeurs et les travailleurs dans certaines industries comme celles du textile et du vêtement.

Il importe de signaler que nos politiques et nos programmes en matières d'expansion régionale et de main-d'oeuvre sont des exemples concrets du fait que les problèmes régionaux du Canada ont aussi un caractère national. Pour qui connaît la situation au Québec ce fait est compréhensible. La nouvelle politique du Canada au sujet des industries du textile et du vêtement illustre bien le fait qu'il faut tenter d'apporter aux problèmes régionaux des solutions à caractère national. Les problèmes de restructuration que connaît l'industrie du textile et du vêtement ne peuvent être qualifiés de problèmes régionaux qui ne touchent que le Québec et l'Ontario où se concentre en grande partie cette industrie.

L'industrie du textile et du vêtement est importante non seulement pour le Canada tout entier, mais aussi pour de nombreuses localités où elle est virtuellement la seule industrie et où, sans elle, il ne pourrait y avoir de vie économique. S'il devait se produire un accroissement sensible du taux de chômage dans les industries manufacturières qui sont des industries de main-d'oeuvre, la situation serait extrêmement critique. La taille de l'industrie du textile et du vêtement et son emplacement dans des régions où le taux de chômage est élevé et où les possibilités d'emploi dans un autre secteur sont limitées font ressortir le sérieux des problèmes très évidents qu'entraîne le changement de rythme que connaît cette industrie.

La concurrence internationale intense qui se fait jour au sein de cette industrie entraîne des problèmes compliqués sur le plan économique, social et politique. Il ne faut pas traiter à la légère les dangers réels et graves que présente la concurrence étrangère, excessive, serrée et préjudiciable. Le gouvernement cherche à éviter et à prévenir les situations qui se créent lorsque le rythme de l'évolution dépasse notre capacité d'adaptation. Il doit aussi chercher à renforcer l'aptitude des employés et des employeurs à s'adapter plus rapidement, plus efficacement et de façon plus constructive aux changements de la concurrence étrangère.

Le progrès que nous accomplirons sur le plan social et économique grâce à notre attitude positive et constructive, de même que notre saine adaptation au changement, dépendront en dernière analyse de la mesure dans laquelle nous réussirons à régler nos conflits internes et les conflits qui opposent les nombreux groupes d'intérêts divers, notamment les employeurs et les employés. Bien qu'ils soient encore à la recherche de meilleures solutions, ces deux groupes ont très bien réussi dans l'ensemble à s'adapter, depuis la dernière guerre, aux variations des conditions économiques internationales.