

Export and Import Permits Act

would not be tolerated anywhere in Canada, western Europe, or the United States. The letter continued:

Canadian manufacturers of apparel are increasingly importing some finished apparel. They use the imports to complement their production. They can rationalize and specialize, making what is best made in Canada and importing the rest to complete their product line; thus enhancing the marketability of the domestic product.

In the letter it is pointed out that this Bill:

—would effectively bring control of part of the quotas, on low-cost goods, back to Canada.

The Bill would also limit the increases in imports by retailers. For many years CAMI has promoted this type of mechanism under its quota control policies. We have done so because quota controlled in the hands of Canadian manufacturers can be used to increase Canadian production and employment while reducing costs to the consumer through the elimination of overseas quota charges.

There are many facets which would bear further study as to the application of the details. That is why I hope the Bill will be adopted in principle and go to committee.

I want to refer also to a couple of news stories in the same vein. On March 21 from the *Kitchener-Waterloo Record*:

Large or specialized shirt manufacturers in Kitchener-Waterloo should be able to withstand the loss of a promised duty remission program, but 35,000 jobs could be lost in other segments of the Canadian industry, says the President of the Arrow Co.

I am not debating today the question of the import duties. I am pointing out the danger that is recognized by one of our major shirt manufacturers.

There is another story dated April 2, 1987:

Women workers displaced by free trade will not be able to take advantage of the new job opportunities created by the pact, a panel discussion on free trade and women was told Thursday.

It is both ludicrous and callous to suggest women—particularly those in the textile and other manufacturing sectors—will be able to make the necessary adjustments, said economist Marjorie Cohen.

● (1410)

I have from the union their brief that was written a couple of years ago but is still up-to-date in which they point out that the General Agreement on Tariffs and Trade “permits importing countries to protect themselves from market disruptions and serious injury as a result of substantial imports. Article 19 of the GATT agreement permits global quotas where there is a serious injury to domestic production.”

I want to take up another aspect of this matter which is relevant even though it is hidden. It is hidden in the sense that there is a general myth being put about Canada by certain interests to the effect that the garment industry is weak, inefficient, held up only by subsidies—that is to say, by protective tariffs—and therefore should be allowed to seek its own level, as it were, without any protection, even if that means that some or perhaps all of the garment manufacturing industry disappears from Canada.

I wish to object very strongly to the notion that the garment industry is peculiarly subsidized in Canada. I would point out

that the garment industry in fact, along with other light manufacturing industries no doubt, subsidizes the petroleum industry, the mining industry, and the finance industry.

My basis for saying that is that for the years 1976 to 1979—and I do not think it has altered in principle since—the garment industry was taxed at the rate of 34.4 per cent; petroleum and natural gas industry, only 21.8 per cent; the mining industry excluding mineral fuels, 16.4 per cent; and the finance industry, 18.7 per cent. In other words, the garment industry was paying at least half as much tax again as the wealthiest industries in Canada. The women working for \$5, \$8, or \$10 an hour on Spadina Avenue were subsidizing the oil companies, the banks, and the mining companies through their taxes.

I can refer it also to the matter of income tax deferred. During those years the petroleum and natural gas industries deferred over \$5 billion worth of taxes; the mining industry, \$1.8 billion; the finance industry, \$2.5 billion; and the garment industry deferred \$17.4 million in the year 1979. In other words, the loans without interest, which is the most modest way of putting this tax deferral, ran in the billions to the petroleum, mining, and finance industries, whereas the garment industry got a measly \$17 million in tax deferrals.

I have estimated that between \$3 billion and \$4 billion would have accrued to the Canadian Government's Treasury if those industries, petroleum, banks and mines, had been taxed effectively at the same rate as the garment manufacturing industry. Therefore, I am asking that the Government take seriously the need for a continuation of the garment industry in Canada and not accept this myth that it is somehow too weak to be worth defending.

In fact, what the garment industry leaders have said, both the employers and the unions, is that they are not asking for financial hand-outs. They are asking to have an assured share, not the whole Canadian market, of the Canadian market so that they will know that they have some hope of recovering their investment as they continue modernizing the industry.

The world market is undoubtedly changing, and there are many proposals being made in Canada to respond to those changes. A country like Thailand has just in the last couple of years entered into the world market for garment manufacturing, and some of its product in the last couple of years have come to Canada, only 2 or 3 per cent. They are not satisfied. They hope to boost that to 10 per cent. But it is one of the countries in which wages are a tenth or less of the wages in Canada, in which young women are brought from the countryside—they are a country of 50 million people, twice the size of Canada in population—and housed in dormitories, in not very free conditions. It is a country in which government and employers have an agreement, a *de facto* understanding with each other, for getting rid of unions by physically eliminating union leaders. It is a country in which there is some amount of the use of child labour, or what would in our country be classified by age as the labour of children.