

Industrial Development

This is a big job. The industry is becoming more capital intensive. For example, new equipment in the textile and clothing industry can require investments in the hundreds of thousands of dollars per production worker. To spend this kind of money to grow for the future, industry must be aware of and part of a long-range industrial strategy. The government must get into the act by providing the support and assurance necessary for this long-term planning.

Of major concern to the textile and clothing industry is the threat of low-cost imports from other countries. Total imports of textiles and clothing in 1979 amounted to some \$2.5 billion. While 70 per cent of clothing imports are affected by quotas, Canada still imported some 170 million garments in 1979, which works out to some eight garments for every man, woman and child. Measured by weight, only some 41 per cent of Canada's 1979 consumption of textiles and clothing was produced by Canadian workers, while at the same time United States workers produced some 89 per cent of the consumed products in that country. Canada is one of the world's most open markets to imports of textiles and clothing from developed and developing sources.

Canada lags well behind the United States and the EEC in taking advantage of the international agreement which permits the limiting of textile and clothing imports from developing countries. Only some 7 per cent by volume of textiles are covered by these restraints.

Bilateral restraint agreements are international agreements between countries like Canada and "low wage" countries which set quotas on the import of certain textiles and clothing into Canada from those countries. Most industrialized nations such as the European countries and the United States have such agreements. Canada's existing bilateral restraint agreements are due to expire on December 31, 1981. This is of great importance to the textile and clothing industry in Canada since necessary high cost capital expenditures must be justified on reasonable expectations of continuing protection against "low cost" imports as well as an appropriate rate of return. Industry has generally been prepared to make such expenditures with an eye to whether or not the pay-back period on such costs does not extend beyond the import restraint period. Industry requires support and certainty for long-term planning. The government must listen to the concerns of business in order to foster necessary growth.

The federal government established the textile and clothing board in 1970. Its mandate was essentially to advise and make recommendations to the government on matters affecting the textile and clothing industries. The board's latest report was made public in the summer of 1980 after a very extensive review of the industry. Evidence was presented in the form of 150 briefs, and the board also held 132 private and public hearings across Canada. The board states in its report:

Canada cannot continue to accept increasing quantities of textiles and clothing from "low cost" and state-trading sources. Such an approach would destroy government and industry efforts to maintain in Canada a modern, efficient and competitive textile and clothing industry.

In general terms the principal recommendations of the textile and clothing board in its latest report were that bilateral agreements and quotas should be extended to cover the period from January 1, 1982, to December 31, 1990, that there should be better administrative controls on imports from all countries, and that growth rates of imports of clothing from low-wage and state-trading countries be no higher than the growth rate of the Canadian market.

I urge the minister and his government to announce its decision on the board's report no later than March 31, 1981, so business can look with more certainty and support to the future and get on with needed investment and growth.

The textile and clothing industry is composed of small and medium-sized firms which are all vital to the continuation and vitality of the industry. The innovative capability of business and industry looks to the minister and his government for proper direction and support, which I hope will be forthcoming soon. Time is of the essence.

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The Canadian Apparel Manufacturers Institute has reported that the Canadian shirt industry is in a desperate situation. Over 700 shirt workers in Quebec have been laid off or lost their jobs in the last year. This disclosure calls for quick government action on the textile and clothing board report and stresses the need for proper direction and support for an industrial strategy for Canada. The government should help Canadian business through any advantageous procedures available under the General Agreement on Tariffs and Trade and other international agreements. Someone has to stand up for the Canadian interest. Surely it is not too much to ask the Canadian government to do this.

I have been advised by the Canadian Apparel Manufacturers Institute that it is not asking for money to bail out its industry. It is asking that our elected representatives act in a manner consistent with Canada's international rights and obligations to support the continued existence of the industry.

The industry needs the help of the minister and hopes it will be forthcoming. The industry is not asking for the shirt off his back, but if the government continues with its present lack of direction and support, the shirt on the minister's back may not be made in Canada in the future.

I had the opportunity to visit with the plant manager and union representatives at the Celanese plant at Millhaven in Ernestown township and was encouraged to see the understanding and co-operation that exists between management and employees in their effort to expand their textile plant operations for the future.

I ask that the minister and his government show the understanding and co-operation that will support and encourage the industry to grow for the future and thus prevent further loss of jobs.

Canada cannot be allowed to sink gradually deeper and deeper into foreign control of our domestic market. Canadians must provide for Canadians so that we are in the driver's seat