• (9:50 p.m.)

[*English*]

That is the first part of my speech. I have tried to summarize what has been done.

[*Translation*]

I often say in French that I do not make any discours (speeches). I always say: take away *dix* (ten) and replace it by *un* (one). You will then have one course instead of ten on the subject I am dealing with.

[*English*]

The second part of my speech concerns Bill C-215 itself.

Mr. Comeau: And about time.

Mr. Pepin: An hon. member says it is time I got there. Perhaps it is idealism on my part, but I have always believed that if the foundations are good, the house stands a little more strongly. The hon. member for Southwestern Nova (Mr. Comeau) might benefit from my example, Mr. Speaker.

The bill has three main purposes. The first is to provide for the establishment of a textile and clothing board. The second is to amend the Export and Import Permits Act. The third purpose is to amend the Customs Act. First, dealing with the textile and clothing board, the bill seeks to place this board on a more formal basis. I have already said it has been in existence, but its existence is now being formalized. What is the role of the board and what are its functions? Hon. Members will recall that under the new textile policy special measures of protection against imports will be considered only after, firstly, a formal determination of actual or potential injury and, secondly, submission of acceptable plans by the companies concerned indicating how they intend to improve their operations or maintain their efficiency so as to make them progressively more viable. This is very important.

If a company or group of companies or sector of the industry want protection, they have to demonstrate that there is injury, or threat of injury, under article 19 of GATT. Secondly, they have to present plans that the board will assess. The board will recommend protection only when it is satisfied, firstly, that there is injury and, secondly, that the plans to maintain viability or to bring it about are worthwhile—only recommended. So responsibility for action rests squarely with the government. I repeat, with respect to the degree of protection needed, the board can make recommendations only. It is the government that must take action. This is contrary to what has been reported, erroneously, in some newspapers during the past week.

What criteria will the board use in passing judgment? In formulating its recommendations the board is to take into account, firstly, Canada's international obligations; secondly, consumer interests; thirdly, all relevant employment and regional factors; and fourthly, conditions prevailing in international trade relative to textile and clothing goods. In other words, the board must look at all aspects of the question. Everything must be considered. The board also has to take into account 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 prospect of becoming viable. This is provided for in the bill.

In addition to its functions with respect to the new import policy, the board will also certify groups of workers for the purpose of the adjustment assistance program for workers. Details of this program will be outlined tomorrow by my colleague, the Minister of Labour (Mr. Mackasey). Upon hearing him, hon. members will recognize, I'm sure, that this is a very important and worthwhile social feature of the legislation.

Before I move on to the other aspect of the bill, I should like to emphasize the somewhat unique nature of the new approach to the problem of disruptive import competition. To the best of my knowledge, Canada is the first among industrialized countries to predicate special measures of protection for the textile and clothing industries on a careful evaluation of injury and of adjustment plans by an independent body. Such an approach coincides closely with the principles and objectives of various international trade agreements and, if emulated by others, should go a long way toward improving the world trading environment. At the same time, the government will be in a position to provide effective and prompt protection to domestic manufacturers agains injurious import competition when warranted by facts and provided they undertake the necessary steps progressively to improve their competitive position. Some hon. members may have noticed the recent suggestion in the *Wall Street Journal* that Canada's "positive response" to the problems created by disruptive import competition "would be eminently more sensible for the U.S.", and I daresay for a number of other countries as well.

In regard to the changes to the Export and Import Permits Act, this act in its present form makes it possible for the government to control imports unilaterally in three cases: firstly, articles which are scarce in world markets—and certainly this does not apply to textiles —secondly, certain products under domestic price supports and, thirdly, any article when necessary to implement in intergovernmental arrangement or commitment. According to the present understanding of the Export and Import Permits Act, only in these cases can the government take unilateral action.

Action under the act has been taken in the past with respect to certain products falling under these three categories and the act could, conceivably, be invoked again under these circumstances. However, in its present form the act cannot be invoked to control injurious imports unless one of the three conditions is met. There has been some debate on that subject. The hon. member for Calgary Centre (Mr. Harkness) believes that the act as it is now could have been used in this area of textiles. General opinion does not support that view.

The new textile policy envisages the application of unilateral measures, including import quotas in cases where a negotiated solution such as, for example, a restraint agreement, cannot be reached.