

*Textile and Clothing Board Act*

will hesitate to produce one million shirts. They will only manufacture 100,000 and will survey the market before producing a further quantity. It is then no longer a handicap to be a small manufacturer.

**Mr. Guay (St. Boniface):** For my part, Mr. Speaker, I wear my old white shirts.

**Mr. Pepin:** That is because of the very low salaries of the backbenchers.

The hon. member for St. Boniface will buy himself some coloured shirts. He will also make an effort, as the hon. member for Saint-Hyacinthe (Mr. Ricard) has been doing for so long.

In the third place, the supplementary estimates approved by the house before the Christmas recess contained amendments to the General Adjustment Assistance Program which will provide Canadian textile and clothing manufacturers with better access to the various types of financial assistance available under it.

I have explained the features of this program to hon. members on previous occasions; I do not intend to go into it in detail now. However, in the committee we have recently seen the favourable effects the program can have for producers of clothing, particularly, and for manufacturers of footwear also, to whom, as you know, the program has also been extended.

In the fourth place, at the beginning of November, I informed the house of the establishment of the Textile and Clothing Board on an interim basis under section 18 of the Government Organization Act. I also announced at that time the appointment of Dr. C. A. Annis of Ottawa, Professor Jacques St. Laurent of Sillery, Quebec, and Mr. J. D. Campbell of Campbellville, Ontario, as chairman and members of the Board, respectively.

Hon. members will recall that—as a first priority—I asked the Board to inquire into the importation of cotton and polyester-cotton yarns, and woven shirts. The board is now at work, Mr. Speaker, and I expect to receive its first report in the near future. I mention this now to show that the board will be taking quick action and will not put off decisions for six months or a year. I shall describe later on the functions of the board in greater detail.

In the fifth place, Mr. Speaker, and this is still in the first part of my speech where I try to explain what has been done—an important aspect of the new policy, pending full implementation of all its various elements, is the government's determination to make use of all the currently available instruments to prevent serious disruption of the Canadian market. When I informed the House last May of the new policy framework, I indicated that the government was giving urgent consideration to the critical situation that had developed with respect to woven shirts imported at disruptively low prices.

On June 2, the government invoked section 7 of the Customs Tariff to impose a surtax, on a non-discriminatory basis, on such shirts. The action was taken after a careful study of the situation in the industry which

[Mr. Pepin.]

revealed that without it the long-term viability of the Canadian shirt industry would be seriously threatened.

Incidentally, Mr. Speaker, an ambassador called on me the other day and we were discussing the question of textiles and clothing in Canada and like many others, he expressed the hope that Canada would not adopt a protectionist position in this regard. And I asked him the following question: "Your Excellency, can you tell me how many shirts are imported in Canada?" He was taken a little by surprise, I suppose, but after some hesitation, he mentioned the figure of one million. I said: "Add 200,000, or 300,000 and say "dozen" instead of "units" and you will have a fair idea of the number of shirts imported by Canada at this time." I say these things that we shall repeat in committee, in order that some hon. members will not conclude too hastily that Canada is becoming a protectionist country.

Yesterday, I delivered a speech in Montreal on imports and I believe we do have not much to blame ourselves for in this field. Canada is a major importing country. In that speech, I quoted figures that I shall quote again in this House because they are very, very useful. But they might be used in this debate, because I hope no hon. member will launch into broad statements about free trade, without having at least consulted these figures showing present Canadian imports.

In any case, hon. members will recall that the decision to impose a surtax received the approval of the House on November 26. The House agreed to the extension of this surtax, pending a review of the Canadian shirt industry by the Textile and Clothing Board, which review will be initiated as soon as the Board has rendered its first decision on woven cotton and polyester cotton fabrics.

Sixthly, the government has extended the existing *voluntary restraint arrangements* while suitably modifying them in the light of circumstances. Officials of my department have re-negotiated and come to an agreement on the voluntary restraints applied by Japan, Korea, Hong Kong, Singapore, Mexico and Greece. New arrangements have been concluded with Romania, Poland, Trinidad, Tobago and Macao. Arrangements have also been made with the People's Republic of China and Taiwan. The officials of my department are currently holding talks with responsible authorities in Brazil, Spain, Portugal, the United Arab Republic, Columbia and Israel with a view to reaching other agreements. Thus, our policy is and will remain to try and enter into agreements with those countries, before considering any unilateral action.

Pending recommendations of the Textile and Clothing Board, the government shall continue carefully to analyse problems as they arise and will take whatever action is required. As in the past, Canada will consult with the countries concerned, as I said earlier, with a view to finding a negotiated solution, before considering unilateral action.

These then, Mr. Speaker, are the elements of the textile policy that have been implemented and the steps the government has taken to ensure an orderly transition to the new policy framework.