

now are already proving effective in achieving a more stable market in which the domestic clothing industry can compete.

• (1450)

The priorities Canada has established for the textiles and clothing sectors were set out in the Government's textile policy announcement of July 30, 1986. They include a more moderate growth rate of clothing imports which between 1981 and 1985 had averaged 11 per cent each year in a market that grew by only 2 per cent annually. As a result of the growth of imports during those years, the market share held by Canadian clothing manufacturers fell from 69 per cent to 57 per cent. So we acted; the Government introduced its policy in July, 1986.

In addition, the Government adopted a stance of more rigorous application of Canada's rights under the international Multi-Fiber Arrangement and other international obligations, to ensure that the objective of reduced import growth was not derailed by surges in imports or by circumvention of controls through improper entry or misdeclaration of imports.

At the time that Canada announced its policy for the textiles and clothing sectors in July, 1986 it had 25 bilateral restraint arrangements in place, 22 of which were due to expire at the end of 1986. Consequently, negotiations were entered into with these sources to conclude arrangements for the 1987-1991 period. The negotiations were undertaken with a view to reducing the over-all import growth rate afforded in all the arrangements. However, it was recognized that the treatment given to less developed suppliers should be more favourable than that provided for in the agreements with major suppliers such as Korea, Hong Kong, and Taiwan, which together accounted for over 50 per cent of all imports from low-cost sources.

The negotiations were concluded in the spring of 1987, with new bilateral arrangements extending four years or five years in most cases. The over-all aggregate growth rate over the five years was frozen for the major suppliers. For the others, over-all annual import growth is in the 5 per cent to 6 per cent range. Accordingly, given the prominence of the major suppliers, the aggregate growth rate for all agreements is more in line with the recent historical growth of the Canadian market.

The "Report on Textiles and Clothing—1987" published by the Textile and Clothing Board provides an account of the performance of the industries in 1986, as well as an analysis of Canada's bilateral textile restraint arrangements negotiated within the Multi-Fibre Arrangement framework. The board has concluded:

1986 turned out to be a strong year for the Canadian textile and clothing industries. All indicators of activity were up: output, employment, capacity utilization, investments and profits, and textile clothing retailers had a prosperous year, the chain stores in particular.

There was no indication of a slow down in the textile and clothing industries during the first months of 1987. All indicators were up with imports of clothing alone lagging at a growth rate of less than 2 per cent . . .

Export and Import Permits Act

In its appraisal of the Canadian bilateral restraint arrangements—the board concluded that, in general, more restrictive restraint arrangements have been negotiated with the 25 major exporting countries covering the period from January 1, 1987, to December 3, 1991. Such arrangements should serve to maintain a strong environment for the Canadian textile and clothing industries.

Although the new bilateral agreements have been in effect for only a little more than one year, they have already played a convincing role in moderating import growth. The reduction in maximum annual growth allowed under the 1987-1991 agreements is reflected in a much decelerated increase in actual 1987 imports compared with previous year over year growth. The level of clothing imports from all sources into Canada on a volume basis in 1987 was 277 million units, representing a rise of only 4 per cent over the 1986 level.

This trend has continued in the first three months of this year, with the January to March 1988 clothing import level showing an increase of only 4.6 per cent over the same period in 1987.

These percentages speak for themselves when it comes to assessing the stability of the trading environment within which the domestic clothing industry must compete. They also show that the current Government's policy objective of moderating import growth, as enunciated in the July 1986 policy statement, is being met. Therefore, I question the need for Draconian measures such as the import quotas proposed in Bill C-243.

While I do not pretend that clothing imports no longer present certain difficulties to Canadian producers, the introduction of excessive measures of protection seems unnecessary for a sector in which all indicators point to renewed vigour. I cannot support this proposal. I cannot say that it makes any sense.

Mr. Bruce Halliday (Oxford): Madam Speaker, after listening to the two excellent presentations by my colleagues, the Hon. Member for Brampton—Georgetown (Mr. McDermid) and the Hon. Member for Calgary South (Mrs. Sparrow), I feel little more needs to be said to explain the serious deficiencies and inadequacies of the Bill proposed by the Hon. Member for Spadina (Mr. Heap).

What I think is noteworthy this afternoon is the fact that the New Democratic Party has once again shown its inconsistencies. With his usual sharpness, my colleague, the Parliamentary Secretary, identified the shortcomings in the Bill as compared with the New Democratic policies. I have noted that during the last 15 minutes or so members of the NDP in the House are having a little get-together to see what the problem is with respect to the Bill. There are obvious inconsistencies and they are shown up by those Members huddling together this afternoon to try to resolve it.

Having said that, let me say that I could talk at some length about why the Bill is not necessary because of the present policies in existence and the Acts we now have to regulate the industry. Let me just take advantage of the last minute by summarizing what is in existence now in Canada and why we