

# HOUSE OF COMMONS

Tuesday, June 2, 1970

The House met at 2 p.m.

[Translation]

## ROUTINE PROCEEDINGS

### INDUSTRY

#### TEXTILES—ANNOUNCEMENT OF SURTAX ON IMPORTS OF WOVEN SHIRTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, when I informed the House on May 14 of the new Canadian textile policy, I drew attention to the consideration also being given to the increasingly critical situation which had developed with respect to imports of shirts at disproportionately low prices. I also indicated that pending the full implementation of the new policy, the government would be making use of the currently available instruments. As is well known, employment in the industry has been falling and a significant number of plants have been forced to close. Men's and boys' woven fabric shirts are now being imported into Canada in substantial quantities outside the scope of existing restraint arrangements of exporting countries, and at prices such as to cause serious injury to Canadian manufacturers and workers. Moreover, there is evidence of a further serious threat of injury to domestic producers, in that importers are arranging to purchase substantial additional quantities of these disruptive priced shirts in fibre compositions and from countries not covered by existing inter-governmental arrangements. [English]

The government is accordingly taking action under Section 7 of the Customs Tariff to impose a surtax, on a non-discriminatory basis, on these shirts, effective midnight today, June 2. The surtax will not, however, be applied to shirts entering Canada under arrangements whereby certain countries restrain exports of low-priced shirts, importation will, in general, be permitted at levels broadly equivalent to imports over the previous year.

I would also hope that further announcements would be made shortly in regard to protection of other commodities that are very seriously affected by low-priced foreign imports. This is particularly important in view of the announcement yesterday of the revaluation of the Canadian dollar which will, of course, seriously reduce the competitive position of all Canadian industries. I have mentioned to the minister particularly the Canadian shirt manufacturers and the people employed in this industry.

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I am very glad, as I am sure all hon. members are, that the minister has finally taken some action to give a limited degree of protection to a small segment of the Canadian textile industry. I trust that the surtaxes which are to be applied will be sufficiently high to cope adequately with the situation. The minister did not state what the level of the surtaxes would be; therefore we do not know to what extent real protection is being provided by the measure that has just been announced. I repeat that I trust it will be sufficient to give some real protection to Canadian shirt manufacturers and the people employed in this industry.

Pursuant to Standing Order 41(2), I wish to table copies of the Order in Council respecting the imposition of a surtax on certain categories of shirts.

By preventing increased imports at disruptive prices, Canada is safeguarding the Canadian shirt industry while taking into account the interests of the Canadian consumer, and at the same time its international obligations.

● (2:10 p.m.)

The order provides that shirts in transit to Canada today will not be subject to the surtax.

Governments of the countries concerned are being informed of this action. Formal notification is also being sent to the GATT, under which emergency action is permitted to deal with market disruption when injury to domestic producers results from imports. In accordance with its GATT obligations, as well as under bilateral arrangements, Canada stands ready to consult on this matter with the exporting governments concerned.