

maintain the competitiveness of the Canadian apparel industry and other downstream users of textile products.

The Canadian International Trade Tribunal held extensive public hearings on this matter. In 1990 it recommended that Canada's textile tariffs be reduced by moving to a simpler tariff structure involving maximum rates of 5 per cent for fibres, 10 per cent for yarns and 16 per cent for fabrics.

This would reduce Canadian rates from an average of 8 per cent, 13 per cent and 18 per cent to 25 per cent respectively. The tribunal also recommended that tariff rates on certain specially constructed textiles be reduced by one-third.

The tribunal proposed that the textile tariff reduction be phased in over nine years once the results of the Uruguay round of multilateral trade negotiations were known, but not later than 1991.

The recommendations of the Canadian International Trade Tribunal would reduce Canadian textile tariffs by just over one-quarter. This would leave most products with slightly more tariff protection than their United States counterparts and significantly more than those in the European Economic Community or Japan.

The tribunal concluded that its recommendations would generate over-all benefits for the Canadian economy by reducing costs to textile-using industries and consumers. In turn the tribunal concluded that its proposal would have a relatively minor impact on the textile industry and that the industry would successfully adjust to the reductions.

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Over the past 20 years the primary textile industry has invested very heavily in its modernization and rationalization. As a result, the industry has recorded impressive productivity gains.

Following receipt of the Canadian International Trade Tribunal's report on textile tariffs the government carefully studied it in detail and concluded that the interests of all parties had been fully considered.

In July 1990 the government expressed its support for the general direction of these proposals. It announced that it would act on the tribunal's recommendations within the framework of decisions to be taken by the Uruguay round of multilateral trade negotiations. Ac-

cordingly, with this in mind the textile and apparel industries began to make appropriate adjustments.

It is a little later than 1991 but Bill C-122 contains legislative amendments to implement the tribunal's recommendations effective January 1, 1993. Of course the Uruguay negotiations are still ongoing. It is hoped they will arrive at a conclusion this year, however we had hoped that for the last couple of years and it has not happened. That has nothing to do with the negotiations on textiles but everything to do with the negotiations on agricultural matters.

Bill C-122 is going to implement the tribunal's recommendations with the following modifications. First, to compensate for the delay in its implementation the tariff reductions are being phased out at a rate of 1.5 percentage points annually rather than the 1 percentage point per year that was recommended by the tribunal.

Second, to further simplify the tariff structure all textile fibres, yarns and fabrics are being treated in the same manner. All, excluding speciality fabrics, are being reduced to maximum rates of 5 per cent, 10 per cent and 16 per cent respectively.

Finally, in keeping with our international obligations, margins of tariff preference are being maintained for Australia and New Zealand for six tariff items in which there is significant trade from these countries.

In concluding my remarks I would like to re-emphasize the importance of Bill C-122.

An hon. member: Cheaper suits.

Mr. McDermid: I have my Canadian suit on. It was made in Hamilton by Cambridge. I will give it a little plug today. Wait until you see the tie of my colleague across the way from Eglinton—Lawrence, Mr. Speaker.

An hon. member: Cheaper ties.

Mr. McDermid: It is pretty outstanding too. I am sure it is Canadian made as well.

Reducing textile tariffs is the best way to ensure that Canadian companies such as Cambridge which use substantial qualities of textiles can compete on an equal footing with other companies in the North American market and overseas. It will also ensure that companies are able to market their products at more attractive prices to their customers.