

Adjournment Debate

shutdowns were too numerous to be counted. This is due to the chaos in world economy, the structure of which is undergoing a mutation. There has been a significant redistribution of industrial power to the benefit of the Pacific Rim exporting countries. In brief, the race for competitiveness has accelerated, while global economic growth has receded.

To fight that kind of dysfunction, it is essential that there be a sound utilization of macroeconomic policies, in order to create an environment in which the private sector may confidently plan and invest. This is what the Canadian textile and clothing industry is in need of during these difficult times. The industry is asking for restrictive import measures. Let us not forget that each hour of each day of every year, 27,000 pieces of clothing are entering Canada. Such special border protection is needed to plan industrial reorganization in such a way as to lessen the problems linked with that process and to prevent exaggerated social and community disruptions.

Over the past few years, we can see the efforts made to negotiate a reduction of agreed levels of clothing imports, better control of import movements and a tightening of provisions concerning over-exports from the four major suppliers, China, South Korea, Taiwan and Hong Kong.

Although those efforts have failed, Canada is applying restrictions on imports from low-cost supplying nations under the international textile trade arrangement (AMF) negotiated under the General Agreement on Tariffs and Trade (GATT).

On the basis of that agreement, it has become possible to reach bilateral agreements or take unilateral action on reducing the disruptions on our domestic market caused by the influx of imports. That separate agreement, the Multifiber Agreement (AMF III), will expire in July 1986.

Mr. Speaker, after outlining the general problems, I would like to come to specifics by supplying factual empirical data.

First, let us point out that the textile and clothing industries are not declining, unproductive and obsolete industries. So much for the myths. These industries are interdependent. In fact, some 40 per cent of the total textile industry production is going to the clothing industry.

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This sector has always been a key industry in the Canadian and Quebec economy at least in terms of employment. Thus in Quebec there are 22 communities where the textile and clothing industry provides between 20 and 75 per cent of all jobs in the manufacturing sector. In addition, there are 55 constituencies in Quebec where the textile and clothing industry is present. In 1983, some 170,000 persons had jobs in the textile and clothing industry. Moreover, it is estimated that those industries also indirectly provide some 275,000 additional jobs. In 1984, the production value was over \$12 billion in both sectors. During the last decade, more than \$2 billion have been invested in the upgrading of plants so that the textile industry

uses the most advanced technology. Indeed, the Canadian industry is as well equipped in that respect as any other textile industry throughout the world. Between 1970 and 1980, the productivity gains of the textile industry were higher than those of the manufacturing sector. Moreover, that industry requires substantial investments. To create one job in this sector now requires an investment of \$250,000. In addition, every year except one between 1977 and 1981, investments per worker in the Canadian textile industry were higher than those in the American industry.

In closing, I would like to deal with matters related to the textile and clothing trade policy. The current system of bilateral restrictions has not been very successful in preventing low cost textile and clothing imports from entering Canada, even though 7 per cent of all textile imports and 80 per cent of clothing imports are subject to restrictions. Imports in these sectors represent over 60 per cent of the domestic market, in spite of the multi-fibre agreement. A major, efficient and productive sector of the Canadian industry is being threatened by uncontrolled imports from countries offering low wages which disrupt markets. Many jobs have been lost and others will certainly disappear if the present situation continues. The thing to do would be to stop the erosion caused by foreign producers in the Canadian textile and clothing markets, but also to recover the share of the market taken over by imports. To do this, we have to reduce present import levels immediately and in the short term.

On the other hand, I suggest that the Canadian Government take a firm position on extending the multi-fibre agreement after July 1986, improving it and including fibres such as silk, ramie and linen, as well as retaining the special protection measures until December 31, 1996, and I also suggest that, in the future, special protection measures be applied with a maximum of effectiveness to take full advantage of the international rights enjoyed by Canada in this matter.

Mr. Speaker, these are the conditions required to ensure the survival and the long-term development of the Canadian textile and clothing industry, which is very dear to my heart, as I worked in this industry for 13 years myself before becoming a businessman.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, to answer the question put by the Hon. Member for Drummond, I would first like to go back to the main instrument and measures that constitute the operational framework for the Government's present policy, which expires in 1986.

The GATT Multifiber Agreement, under which all restriction agreements are concluded, is now being reviewed by all member states, with official negotiations starting in July to determine the future form of this important instrument. A new agreement will inevitably have a vital impact on the development of our national industry. The financial assistance meas-