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## **Standing Committee on International Trade**

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**EVIDENCE**

**Tuesday, December 12, 2006**

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**Chair**

**Mr. Leon Benoit**

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## Standing Committee on International Trade

Tuesday, December 12, 2006

•(1010)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):**  
Good morning, everyone.

We should get right into the committee meeting. We have a real time issue to deal with this morning because we have two witnesses. We have an hour to deal with the witnesses and with Mr. Julian's motion. We were considering extending it until 11:30, but in fact most of the members just can't stay, so we really have to try to get this finished by 11 or very shortly after.

We're going to have to have short presentations and get right to questioning. We may only get one round of questioning. Hopefully everyone's carefully considered their discussion on Mr. Julian's motion so that can be done briefly and concisely and we'll get to the vote.

If that's agreed, that's the way we'll proceed. We'll go straight to the witnesses. By the way, this is meeting number 41 of the Standing Committee on International Trade. We are dealing with Mr. Julian's motion on the clothing and textile industry.

We have as witnesses today, from the Syndicat Conseil du Québec, Lina Aristeo, director; and from the Canadian Apparel Federation, Elliot Lifson, president, and Bob Kirke, executive director.

We'll go right to presentations starting with Ms. Aristeo.

**Ms. Lina Aristeo (Director, Syndicat Conseil du Québec):**  
Good morning, and thank you for having us here. I am Lina Aristeo. I am the director of UNITE HERE in Quebec. UNITE HERE is a union that represents traditionally apparel and textile workers not only across Canada but across North America. Since our merger with the Hotel Employees and Restaurant Employees union, we also represent employees in the service sector, but I am really here to talk to you about the concerns that we have regarding the apparel industry and the loss of jobs in the apparel industry.

I believe Wynne Hartviksen came to see you last week, so I will try not to say the same things as she did. However, I did have just a brief period of time to read her notes.

I am also international vice-president of UNITE HERE and the vice-president of the Quebec Federation of Labour. I have brought with me here today—and I think it is worth noting, although they are only observers and I will dedicate part of my time to their presentation—some important people: Claudio Corsetti has worked for Peter Stone Fashion and has worked in the apparel industry for

28 years. He came from Italy, and this is the only job he's ever known. Marie-Sylvina Jean has worked in the apparel industry for 21 years, and this is the only job she has ever known since she came from Haiti. Francesca Uccello has worked in the apparel industry for 11 years. After taking care of her children, this is the only job she's ever known. Solange Jean-Pierre has worked in the apparel industry for 27 years since coming from Haiti in 1978. Chantal Corriveau has worked in the apparel industry for 28 years. And Eric Lavoie has worked in the apparel industry for 23 years.

I am taking some of my eight minutes to present these people to you because Wynne has made the case for having safeguards, and it's clear that I would also like to see that happen.

The motion brought by Mr. Julian passed with regard to limiting the increase of Chinese imports. But sometimes, and far too often, we forget to think about what these black words on white paper mean. What they mean is that these people here, all the people I've presented to you, were advised about two or three weeks ago that their shop is going to close in March.

Since we began this campaign in April 2005, nothing has happened except that people like these have lost their jobs. I would like the Canadian government to do something, and what they can do is to put safeguards in place.

I'm also accompanied by Amarkai Laryea and Luis Millard, who work for UNITE HERE and who have been supporting this campaign throughout its length.

So what have we done since 2005? Since 2005 this problem has gotten bigger. More jobs have been lost. There hasn't been an end to the loss of jobs. The job losses have been increasing dramatically since 2002. In fact, since 2002, in the apparel industry there have been 50,000 jobs lost in Canada, about 25,000 of which have been in Quebec.

Why do I specify Quebec? Because this is really a Quebec issue. Although it is a federal issue and we are presenting this to the federal government, the majority of the jobs in the apparel industry are located in one province, essentially in one city, Montreal. Montreal is the second most important manufacturing centre for apparel in North America. It's a place of distinction, and I think we should save what we can of the apparel industry.

I think when we talk about T-shirts being made in other countries, or socks, or underwear, all these things can be done to a great extent in Canada, but I think we've reached a certain point where we need to figure out what our apparel industry is going to be. What are our niche markets going to be? Montreal still makes some of the best suits in the world. I think that's one of the industries that we should put as much effort into protecting and safeguarding as we can. Limiting the growth of Chinese imports is one step in the right direction.

Last week's announcement by the government of \$4.5 million to cut tariffs on imported textiles is a step in the right direction, but in my opinion, it's a drop in the bucket. The first question I asked our researcher was whether this is per company or for the entire industry, because \$4.5 million will not save these jobs, even the eight jobs in this room, let alone the over 30,000 in the country.

We've met with several different ministers, especially those from Quebec, in particular Minister Bernier. We have members in Beauce who make jeans—there are very few places that still make jeans in Canada—have met and talked with Minister Bernier, who has been receptive, but who hasn't taken any action to date.

We have begun to educate our members as to what's been going on. On October 20, we had a rally where 2,500 members walked off their jobs, and when you make \$8 an hour, losing four hours of pay is a big deal.

Mr. Julian was there. Mr. Cardin's party had sent representatives. As well, the Bloc and the NDP were there to support us in this. What's important is that there weren't just 2,500 workers saying, "Someone has to stand up for us, because we're doing what we can, but someone has to bring it back. We can throw the ball. The ball has to be thrown back as well." What's important is that we had employers marching there with the union.

These aren't times anymore where we get to sit at a negotiation table and claim for these huge raises or fight against the boss. Now more than ever, unions and companies need to work together so this industry can survive. So that's just one example of how the employers of the places where we represent members are in support of this campaign. Although many large companies will have the funds and the budget to do this—can come and lobby, can come and talk—most of the people are taking all their time to just figure out how they can get their company to survive, to find a new product, to find new markets.

When, for instance, we ask Samuelsohn to come and speak here today, and I would have very much liked them to come, and we were trying.... They don't have time to come to Ottawa; they really don't, because for them it's a daily struggle. It is a daily struggle. They support this campaign nonetheless, and they wish to see safeguards implemented as much as I do, but for them, between getting their order out today and coming to see you, unfortunately, you come second. That's just the state of the industry.

When I sometimes speak as if I'm exasperated, it's because the industry is exasperated. When I say "the industry", aside from just the employers I speak with, I mean it's the workers. They don't know what to do anymore. Again, they're losing another full day of pay so they can come here, just so that at least someone can see their faces.

In March they're all going to lose their jobs, and what are they going to do? Don't tell them you want to recycle them. I've done the survey: with one exception, these people are all over 50 years old. Although they have great talents and great skills, I just don't see them working at a call centre for Sears, if that call centre still is in Canada.

This is important to us, and the safeguards are a measure that is at our disposal. According to the agreements in the World Trade Organization, a country that feels its economy has been perturbed—and I'm not taking the exact words—can put in place safeguard measures, can limit the increase of apparel imports into our market.

The United States has done this; the European Union has done this. They have negotiated with China. South American countries have; South Africa has done it. The question we ask you is this. Why is Canada not doing anything? There is no justifiable reason not to put in place a measure, which all our competitors have put in place, that is at our disposal.

I'm not going to take any more time, but I will answer questions if you have any.

Thank you.

•(1015)

**The Chair:** Thank you very much.

We will now go to the Canadian Apparel Federation. I guess Elliot Lifson is going to present.

**Mr. Elliot Lifson (President, Canadian Apparel Federation):** Thank you, Mr. Chairman, for the opportunity to appear. I am pleased to be able to provide our comments concerning the issues and the motion under consideration by your committee.

My name is Elliot Lifson, and I am president of the Canadian Apparel Federation. I am also vice-chairman of Peerless Clothing, the largest Canadian apparel manufacturer and the largest single facility in North America manufacturing men's suits. We employ over 2,500 people in our Montreal facility. Sixty cultural communities are represented. I am also chairman of the Chambre de commerce, or Montreal Board of Trade, so I have a great interest in our industry because it's concentrated in Montreal. I also co-chair PROMIS, which promotes the integration of new arrivals in our community, and I do that under the chairmanship of Henri Massé, who is president of the Quebec Federation of Labour.

I am joined by Bob Kirke, executive director of the Canadian Apparel Federation.

In my opening remarks, I would like to speak briefly about our industry, then explain why we do not think imposing safeguards will provide much help to our industry, and then talk about policies that would be of help to our industry. How can we help that industry?

The Canadian Apparel Federation represents over 600 Canadian companies involved in the apparel industry in Canada. The Canadian apparel industry produces a broad range of women's, men's, and children's apparel. At the beginning of 2006, the Canadian apparel industry directly employed approximately 60,000 people, produced over \$5 billion of clothing, of which close to \$2 billion was exported, 90% of it to the United States.

The apparel industry draws on a range of skills, from relatively low skill and low technology employment to very creative fashion designers, to highly advanced engineering and software development.

As you are all aware, the apparel industry is facing a unique set of challenges, including the effects of trade liberalization, the appreciation of the Canadian dollar, and other trade issues. For these reasons, you are considering the motion at hand. We welcome your interest in our industry.

Last week, Statistics Canada released a study entitled *Trade Liberalization and the Canadian Clothing Market*. I recommend highly that committee members review the report. In it, Statistics Canada does an excellent job explaining the changes that have taken place in the Canadian apparel trade over the past 15 years. It demonstrates how imports from the United States have declined and how various developing countries gradually took a greater share of our market.

Finally, it documents the market share now taken by China, and that a large portion of increased imports from China replaces imports from other countries, which have been drastically reduced. The report provides an excellent perspective to the discussion you were having concerning safeguards. To quote the report:

Much of the attention paid to trade in clothing focuses upon the recent growth of imports from China, but this mistakenly identifies the shifting composition of the Canadian clothing market as a recent phenomenon, according to a new study published today in the *Canadian Economic Observer*.

In reality, the turn to China that made it Canada's top source of clothing imports at \$3.0 billion in 2005, was just the latest in a series of changes in Canada's trade in clothing over the last two decades.

Clothing imports for the January to September 2006 period were 15% higher than 2005. On a practical and business planning level, apparel manufacturers have known about the end of quotas since 1995. Companies need to adjust. Some have, some have not, so even though the motion says "time to adjust", those that have adjusted and survived will survive and go forward—and that's related to management, unfortunately not to the workers, with all due respect to all who are present.

We are living in an era of globalization and freer trade. The world is flat, and we must all learn how to adjust and find our market niches. Many successful Canadian companies have adopted a strategy of producing higher-end or more complex apparel in Canada that requires proximity to market while supplementing the lower end of their apparel line with imports from China or elsewhere. Our big competitive advantage is proximity to the U.S. At 90%, that's our big customer. This business strategy allows Canadian apparel manufacturers to remain competitive and maintain Canadian production.

• (1020)

I will now address the issue of China safeguards. Some have suggested that safeguards against China are a potential remedy for the challenges facing our industry. Our view is that the scope for Canada to enact safeguards is limited, and safeguards are not likely to offer any tangible benefits to domestic producers.

I base this on the facts presented in the Statistics Canada report I mentioned and on the practical considerations involved in establishing China safeguards. Those considerations include six matters.

First, as witnesses told you last week, safeguards cannot reverse the damage that has already been done.

Second, they will allow a 7.5% increase in the current Chinese import volume per year.

Third, at best, they will only be in effect until the end of 2008.

Fourth, the imposition of safeguards on China will only lead to increased imports from other developing countries that are more than able and willing to replace China. It must be remembered that worldwide apparel production capacity is twice worldwide apparel demand. Manufacturers of low-cost apparel in countries such as Bangladesh—and by the way, I was surprised when the LDC initiatives were put in and Bangladesh goods could come in from Bangladesh, never mind quota free, but tariff free. I can tell you that on that one, both the union and I appeared at the table—don't include Bangladesh, include African countries only. The big increase was Bangladesh, 300%, and nobody yelled. India and Indonesia are more than willing to take China's place. Therefore, any safeguards placed on China would likely cause trade diversion to other countries, with little or no benefit to Canadian apparel producers.

Fifth, safeguards will hinder apparel companies that are blending domestic production with imports from China and cause unpredictable bottlenecks in the supply chain that would likely harm a wide range of firms.

Sixth, the motion again stated "time to adapt". We've known about this for 10 years. In our view, we need to continue to focus not on safeguards, but on the future and on market realities. We need to understand where we can fit in in the highly competitive and highly global apparel market. Leading Canadian apparel companies are increasingly focused on fashion and product development, marketing and supply chain management to differentiate themselves and maintain their position in a very price-competitive marketplace in Canada and the U.S.

Canadians can compete based on superior design and customer service and by meeting the needs of their retail customers throughout North America. We cannot be the low-cost producer, but we can be successful if we offer superior value to our customers.

I must put in an aside. I have a little hobby. I am a professor at McGill in the School of Management in the MBA program and a visiting professor at HEC in the same program.

Let me now turn to the issue of policies for the Canadian apparel industry. If we are to ensure the Canadian apparel industry remains a viable and competitive industry, our industrial strategy must be cohesive and coordinated. Our association appeared before this committee on November 30, 2004, on the eve of WTO quota elimination, which came into effect on January 1, 2005. We identified the conditions we faced then, which we still face today.

They include increased import pressures and reduced competitiveness in export markets, owing to the rise of the Canadian dollar. At that time, we advocated policies that would assist our competitiveness: safeguards were not one of them; tariff reductions on imports and other industrial policies are. Policy recommendations, the textile tariffs, no questions about it.

As we have mentioned in our previous appearances before this and other parliamentary committees, our most important issue remains the elimination of duties paid on imported raw materials. It is our position that duties should be removed on all imported textiles used to manufacture apparel in Canada and that are not made by the Canadian textile industry.

Two years ago this week, December 14, 2004, the previous government announced its intention to eliminate duties on all textiles not made in Canada. The second round of tariff cuts following from that announcement was made last Friday, totalling \$4.5 million per year in duty savings, and this one, I agree with Lina, is a drop in the bucket. We're looking forward to more. But this will allow us to keep our jobs here by providing the value-added activity here.

• (1025)

Combined with previous announcements made a year ago, this brings us approximately halfway toward the goal of \$70 million. And we were able to make this announcement, as the Honourable Michael Fortier made the same announcement in our facility last Friday.

The Canadian government has made substantial progress in meeting this commitment, but more needs to be done. There are another \$35 million in duties being paid on imported textiles that are not made in Canada and for which the Canadian apparel industry should not be paying duties. That's our biggest cost. Certainly in the men's suiting business, fabrics are our biggest cost. So it would be a great help.

Other programs and initiatives. Until 2004, individual firms could access resources that supported adjustment measures through the Canadian apparel and textile industries program, the CATIP program. Currently apparel firms generally cannot access funding under CANtex. We would support changes in line with the amendments to the motion being considered by the committee.

The Canadian Apparel Federation work closely with Industry Canada, through the Canadian apparel and textile industries program, to deliver a range of services to apparel manufacturers. Most of the funding under CATIP is set to end in March 2007. Any extension of this support would be welcome.

Finally, we work closely with the Apparel Human Resource Council, and never mind the need for a well-trained workforce who are working very hard; we have to change the thinking of the management level who direct this workforce. That's where HRDC

helped out a great deal in strategic reports, especially for small companies.

I thank you. Remember, you can compete three ways. We're not the lowest-cost producer; we will never be in this country. First is price/value; number two, innovation and creativity; and number three, service, service, service. And it's our proximity to the U.S. market. That's our big market

Thank you very much.

• (1030)

**The Chair:** Thank you very much, both of you.

Now we'll get directly to questions, and I will be tight on the seven-minute guidelines. We will start with Mr. LeBlanc for seven minutes.

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Thank you, Mr. Chairman.

[*Translation*]

I'd like to welcome the witnesses, our invited guests and industry workers who are joining us today. Thank you for being here.

[*English*]

Madam Aristeo, I have two questions I'd like to ask you.

Mr. Lifson referred to this briefly in his introductory comments or at the beginning of his presentation, but do you have any figures or details that might further enlighten us on the presence of the Chinese imports in the Canadian clothing industry?

I think all presenters have referred to an increase in China's market share in the total supply of Canadian clothing, but I'm wondering if you can give us some more precision with respect to the increase in the Chinese market share. Also, I'm wondering—and this will come up amongst colleagues, perhaps later on in the discussion about the motion, and this perhaps could be addressed to Mr. Lifson as well—if both witnesses would comment on whether it would be advisable for Canada, once we have triggered the safeguard mechanisms, to negotiate some sort of agreement with China, as I understand the European Union and the Americans have, with respect to imports of clothing and textiles from China.

I wonder if you have any views on whether that might be, as I understood your presentation, Madam Aristeo....

[*Translation*]

Once safeguard mechanisms have been triggered, do you feel that in the long term, a bilateral agreement could be beneficial to the industry and the workers you represent?

**Ms. Lina Aristeo:** Thank you, Mr. LeBlanc.

[*English*]

To answer your first question, I will quote the same feature article as Mr. Lifson has on trade liberalization and the Canadian clothing market. So I quote, as well:

Since joining the WTO in 2002, our clothing imports from China increased by nearly \$1.8 billion, an 86% increase. This contrasts with a \$0.8 billion drop for clothing imports from all other countries.

China's share of Canada's total clothing supply, which is comprised of imports as well as Canadian clothing manufacturing for the domestic market, has increased fivefold from 6% in 1995 to 31% in 2005. It is second only to Canadian clothing manufacturers who continue to supply 32% of the domestic market.

And then I continue:

[*Translation*]

Subsequently, in December 2001, China joined the WTO, which meant that in 2002, China's quotas increased for the first time, in accordance with the WTO's Agreement on Textiles and Clothing. As of December 31, 2004, all quotas on apparel imports from China to Canada were lifted. Consequently, in 2005, Chinese imports totalled \$3 billion, nearly \$2.5 billion more than imports from the US or Bangladesh and twice the value of Chinese imports in 2002. This amount represented an increase of 47% in nominal value over 2004, or an increase of approximately \$1 billion.

[*English*]

So I think these figures you all have access to—and I can leave a copy with the clerk if you wish—state the situation.

Although imports in general are a problem, China is a specific, more extraordinary problem. I may be the first union person to come here and tell you that, yes, we should negotiate with China. This comes to your second question, because you know what? China is not going to go away. And they think Canada will have to continue to import.

We have no choice but to continue to import. We have no choice, as much as I wish we could buy only Canadian-made products in Canada and close all trade barriers. Right? That would be a utopia for unions. We just can't live that way. Some people may roll their eyes. I'm saying it a bit to contrast from saying we should put the safeguards in place, send whatever notices we need to send to China to put a band-aid on this bigger problem. Because, that's right, what we are asking for is a band-aid measure. But let's start negotiations, and let's talk to China in the same way the European Union and the United States have.

We can compare to South Africa and Peru and these other countries, but let's look at who the players are who are on the same level as we are: the States and the European Union. And so they've done it, and I think we should do it as well.

Thank you.

• (1035)

**Hon. Dominic LeBlanc:** Mr. Lifson, did you want to comment on whether we should have a negotiated arrangement, as the European Union and the United States did?

**Mr. Elliot Lifson:** It's an interesting question. But if I do the second part, I have to agree with the first part of your question, and I really don't, because I won't negotiate for something that I don't believe is going to function.

My firm belief is that the safeguards, which I agree are a temporary measure, are not going to do anything. In the United States—and I can only do the men's suits—even with safeguards, China was up 4%, because they didn't reach the safeguard level. But Indonesia was up 92%; Vietnam, 13%; and Chile, 40%.

**Hon. Dominic LeBlanc:** Excuse me. I don't want to interrupt you, but perhaps you can enlighten me, because I don't know the answer to this. When the European Union and the United States arrived at a bilateral arrangement, had they invoked prior safeguards? What led them to negotiate a bilateral agreement, if it wasn't concerns exactly as explained by Madame Aristeo?

**Mr. Bob Kirke (Executive Director, Canadian Apparel Federation):** If I can answer that.

As for what happened in the United States, I'll use as the first example. A number of industries tabled requests for safeguards according to processes that were laid out. Although it's not quite the same, we have the Canadian International Trade Tribunal here that could hear those kinds of safeguard cases.

Essentially what happened was chaos in the marketplace, because once you trigger a safeguard, it's: get in, move it faster. So everything gets moved up faster and creates an amazing disruption in the marketplace, because that's just good sense. If there's going to be a safeguard in place with a certain cap, you move like heck to get in there before the cap takes hold.

Faced with that level of confusion in the marketplace, China agreed—although it did not have to—to negotiate a broader quota arrangement with the United States. And again, the same sort of thing happened in Europe. But if we were to look back about a year and a half, on the cover of *BusinessWeek*, I think, were the bra wars in Europe. All the retailers were bringing in bras from China and they hit the cap.

There are many opinions about what should be done. But I would not want this committee to think it's just one-two, we'll notify them on the safeguard, they'll say okay, and we'll negotiate a bilateral.

If you were looking at some of the growth rates in 2005 into the States, they were up 700% in some categories, they were up 20%, 10% in some, and the cap was at 7.5%.

So again, I would encourage you to speak to the people at International Trade to have them clearly lay out what the scenarios would be, because it is not a simple process, by any means. Setting aside that our position is in general that they're not appropriate, even if you chose to move forward on them, it's a rough road.

**The Chair:** Mr. Lifson.

**Mr. Elliot Lifson:** In this comment and this study, the conclusion really summarizes the whole thing that we've been referring to. It's really an up-to-date study, and it says:

Most people have come to associate Canada's trade in clothing with increased imports from China. This paper has shown that the dynamics of trade liberalization are much more complex. Canadian producers initially profited from the introduction of free trade with the US, raising output and employment during the 1990's. Then, trade liberalization gradually allowed increased imports from less-developed countries outside of China. With the extension of this liberalization to China when it entered the WTO late in 2001 and the removal of the remaining restraints on trade in recent years, China's share of the Canadian market has soared.

—that is correct—

This has been at the expense of imports from other countries, although some remain competitive (such as India, Bangladesh and Mexico). As well, domestic producers have paid a stiff price in terms of lower production and jobs

—that's a fact—

although consumers have benefited from lower prices.

It's a matter of readjusting. It's a new world out there. If closing China was the answer, terrific. That's not the answer. That's not how we can compete in the new global environment. It doesn't work.

● (1040)

**The Chair:** Thank you, Mr. Lifson, Mr. LeBlanc.

We now go to Monsieur Cardin and Monsieur André for seven minutes.

[Translation]

**Mr. Serge Cardin (Sherbrooke, BQ):** Thank you, Mr. Chairman.

Good day, ladies and gentlemen. Thank you for joining us today.

Before I begin, I'd like to clarify a comment made by Mr. Lifson. According to our agenda, you represent the Canadian Apparel Federation. Do you in fact represent apparel industry entrepreneurs?

**Mr. Elliot Lifson:** I do.

**Mr. Serge Cardin:** How many businesses are represented by the federation?

**Mr. Elliot Lifson:** Seven hundred.

**Mr. Serge Cardin:** Has this number decreased substantially in recent years, or has it remained constant?

**Mr. Elliot Lifson:** We've lost some members, but gained some new ones as well.

Yesterday, there was a good article in *La Presse* about a chap from the Beauce region who maintained that innovation was the key to survival in the apparel industry. So then, we certainly do have some new members.

**Mr. Serge Cardin:** I agree with you. To ensure the future of the apparel industry, and of other industries as well, it's important for businesses to face international competition head on, to innovate and to modernize their operations in order to become increasingly efficient.

Mr. Elliot Lifson: That's right.

Mr. Serge Cardin: However, as far as your federation is concerned, it appears that the safeguard mechanisms are still temporary. Madam, on the other hand, represents employees and is especially sensitive to labour issues. I'm not implying that businesses are not particularly sensitive to employees, but their focus is primarily on business.

**Mr. Elliot Lifson:** I need to set you straight about one thing. I represent the federation, but I also speak for Vêtements Peerless Inc. I don't just represent management. I also speak for the 2,500 employees who work for this company. Make no mistake about that.

**Mr. Serge Cardin:** Ms. Aristeo is calling for safeguards, even though we know these would be only temporary, in order to give business time to adjust. Other measures are needed, because older workers who belong to her union are losing their jobs. One such

measure that the government has yet to institute in POWA, the Program for Older Worker Adjustment.

In light of the current situation, what steps must the union, the employee representative, the industry representative and businesses take together to develop safeguards so that textile companies in Quebec and in Canada can truly perform at an outstanding level and even outshine their competition? Perhaps Ms. Aristeo could give us an overview of the situation in terms of safeguards and innovation.

**Mr. Elliot Lifson:** The Apparel Human Resources Council mentioned earlier is comprised of three management representatives and three union members. I sit on the council along with Ms. Lina Aristeo.

**Ms. Lina Aristeo:** Mr. Lifson has provided a partial response to your question.

I found the first part of your question rather interesting. When Mr. Lifson indicated to you that the federation had 700 members, you asked if this number had declined. You then went on to talk about a company in the Beauce region.

I can name several companies in the Beauce that have ceased operations: Cardinal Clothes inc; Corporation de vêtements S.F.I.; Jeno Neuman et Fils Inc.; J.A. Besner et Fils (Canada) ltée; and Les Vêtements Chambly 1982 Inc. These are a few of the names that come to mind. I've been the union director for two years and I have a long list — two full pages — of names of businesses that have closed their doors, not counting those that have had to cutback their workforce. Many companies like Algo remain in business with perhaps one worker on the payroll, when in the past they had a workforce of over 100 employees.

We need to remember that the apparel industry in Canada is completely different. On the one hand, we have clothing manufacturers and on the other, we have the importers. Some companies, of course, are both manufacturers and importers. However, companies that import clothing are not a true reflection of the reality that Canadian manufacturers face. Many such Canadian manufacturers are at their wit's end. They don't know whether to shut down, to stay in business or to operate at a deficit.

One Beauce company is still in operation solely because of a union-supplied contract. Without the union, the company would not have a contract. The owner claims that this contract is beneficial. This is another example of a band-aid measure, such as safeguards. Such measures won't save this company. At the time the union helped the company secure this contract, the company broke into US markets and it is now trying to expand its client base. The owner is buying time, much like safeguards would help companies on the brink of closing to buy more time.

Although they may not pose a threat to Vêtements Peerless Inc., imports from China do pose a major threat to many other local manufacturers.

I should mention that Teamsters Canada represents Peerless employees, and not Vêtements Peerless Inc. workers.



•(1045)

**Mr. Guy André (Berthier—Maskinongé, BQ):** I'd like to stay on this subject.

Ms. Aristeo, we're seeing two trends at this point in time. This morning, we heard that there is trend toward full market liberalization, without safeguards or industry support programs. The other trend is toward protecting important markets such as the textile, furniture and other soft sectors, to ensure a competitive position on international markets.

Of course, I tend to lean toward protecting this market. I believe it's important to protect our industries from competition of this nature. We have the ability to compete, as we have seen in other areas of activity. We just need to convince people of that.

Again, I'd like to hear your comments on the steps we need to take to convince this government and other stakeholders. Perhaps it would truly be to our advantage to bring in safeguards and to support our industry because these jobs are important to our community. Not all Canadians and Quebeckers are engineers. We need to maintain this major industry sector.

**Ms. Lina Aristeo:** Thank you.

[English]

**The Chair:** We'll have to have a very short answer, 30 seconds.

[Translation]

**Ms. Lina Aristeo:** Obviously, not everyone is an engineer. My grandparents who worked in this industry are the reason why I'm a lawyer today.

Everything we do in life has a ripple effect. My testimony here today will have a positive as well as a negative effect. There's no question that safeguards will have an impact of some kind, but in the long term, this impact will be more positive. Notwithstanding the negative points mentioned by my colleagues here today, since safeguards were first introduced in the United States, the apparel industry has witnessed employment growth for the first time in nearly two decades. Therefore, safeguards can have an impact.

We're not simply concerned about corporate survival. We're trying to sustain our economy and our society. Every person who loses his job must be taken care of in some way. It's best not to have 30,000 people relying on social assistance.

[English]

**The Chair:** Thank you.

Mr. Menzies, for seven minutes.

**Mr. Ted Menzies (MacLeod, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses here today.

Probably over a year ago, we saw some of you here at this same committee discussing the same issues. I find it surprising—and please correct me if I'm wrong—that the CITT still has not had sufficiently strong requests or demands from the industry to seek a ruling on this, or to sit down and make a recommendation to the government.

Am I understanding this correctly?

**Mr. Bob Kirke:** The union has had a certain initiative in front of the CITT, but contrary to what you found in the United States where the industries came forward, made those cases, made the petitions, and did it, that has not happened in Canada.

**Mr. Ted Menzies:** Maybe this is a hypothetical question, but I have to go back to Mr. Lifson's comment that it's not just an issue of China; it's a moving target. If it's not China it'll be Vietnam. China is now outsourcing production to Vietnam because labour is cheaper there. Will we just continue chasing this? If we decide that China is our target for today, will we miss the next target that sneaks up and hits us from behind?

•(1050)

**Mr. Bob Kirke:** The China safeguard was put in at a very late date in China's WTO accession. It was a small measure. It has taken on great significance recently, but it was a really last-minute thing.

But in the Canadian context, what made the China safeguard basically irrelevant was the least-developed countries' initiative that was instituted January 1, 2003. We created a virtually limitless flow of goods into our market through least-developed countries like Cambodia and Bangladesh, duty-free and quota-free, as Mr. Lifson has said. You cannot have a quota system against one country; it would not work. This is essentially what our argument has been.

We recommend that you focus on things that can work. The China safeguard won't work. Vietnam is not an LDC, but Cambodia and Bangladesh are. So it creates a situation where we might like to see a circumstance or mechanism that would maintain greater stability in the market, but the China safeguard isn't that.

**Ms. Lina Aristeo:** If I can answer to the CITT since we put in the request, at the time the workers brought the request to the Canadian International Trade Tribunal, the trade tribunal asked us to get production numbers from employers, from manufacturers, and I think that's what you're referring to.

Although this question was asked last week, I'd like to give the answer again, because I have first-hand knowledge of why no information was brought forth. I did not relay the information to these manufacturers because we were in negotiations for a master collective agreement for almost all the apparel workers in Montreal. For the union to be asking for trade data and production data when were negotiating the most important contract in four years did not seem appropriate.

Second, as I addressed earlier, it's because many of them are just not organized enough to do this and their heads are underwater right now. I'm not saying their necks are above water; their heads are underwater right now, and they need this. Let's not make this a late measure, as Mr. Kirke said. In the States it was a late measure, so let's not do that.

I agree with all the things we should focus on to help the industry, in addition to safeguards. I don't want to hurt the industry. Let's put the safeguards in and continue to work together to help this industry thrive.

**Mr. Ted Menzies:** I'll go back to another comment Mr. Lifson and a couple of people made, that the \$4.5 million announced on Friday was not enough. What is going to be enough? I forget how much the former government invested in a transition. This \$4.5 million is supposed to help with the safeguards or the transition. We've been transitioning since 1999. When do we graduate?

**Mr. Elliot Lifson:** Yes. Let me tell you, you would get a grade of 100% if the \$70 million we ask for would be eliminated. Obviously it's going to come in levels. I have been coming to Ottawa for many years; I know it doesn't happen all at one time and I understand that. But keep in mind what we are up against. And that answers the question of China safeguards also.

Again, nobody raised the issue of Bangladesh. You can bring in a product from Bangladesh, never mind quota free, but tariff free. I can make a man's suit in Bangladesh and bring it into Canada tariff free, but if I want to make the same suit in Canada, I have to pay 14% tariff on the fabrics not made one centimetre in this country. That is the issue.

So as long as we can level the playing field, we might not have to sit around the table on questions of safeguards and other issues, because it was the government that opened up Bangladesh. There you had a 300% increase the first year, and nobody really listened to either management or labour on that issue.

So the band-aid of a safeguard from China when worldwide capacity is twice worldwide demand.... And you're not talking about the car industry, where it is heavily capital intensive. You're talking clothing, which is so easy to move from one country to another. If we do talk about the car industry, Toyota just won car of the year, and their two manufacturing plants are one in the United States and one in Canada. How can they survive? If you move up the value and give the right product. It's a management issue.

Unfortunately, the people who should be really yelling here are those dealing with the management issue among these people who are sitting at the side of the table. It is not a worker issue. Think, and provide management with the tools so that we keep these jobs in the country. That is the issue we have. Safeguards are not the answer.

• (1055)

**The Chair:** Thank you, Mr. Menzies.

Mr. Julian for seven minutes.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Thank you very much. I would particularly like to thank the workers who are here today, because your presence is extremely important.

We tend, I think, here in Ottawa to hear from corporate lawyers and economists. It's extremely important that ordinary working families be heard here in Ottawa. So thank you very much for coming here and sacrificing a day's pay to make your point.

I listened attentively, Mr. Lifson, and generally your objections seem to be more theoretical than anything else, though certainly people can't eat theories; they can't put a roof over their heads with theories, and since the Canada-U.S. Free Trade Agreement was signed, we've seen that 80% of Canadian families have actually seen their real income go down, not up. The only people who have profited are the top 20% of Canadian income earners. So as for that

theoretical base that somehow free trade, with no measures to protect Canadian jobs, is going to work, it hasn't worked. It's failed on the bottom line.

But you did raise one point that I think is a practical matter, and I would like to put that point to Ms. Aristeo. You were saying that you didn't believe the measures would be effective because essentially the Chinese portion of imports would be taken up by imports from other countries. I did want to come back to Ms. Aristeo on that and ask her whether she felt this was a legitimate argument or whether she did not think it was.

**Ms. Lina Aristeo:** As Mr. Lifson says, before the WTO, when we were talking about other countries, such as Bangladesh and the LDCs, and they became a threat to our market for the first time, our market share of Canadian domestic production was still larger than it is today with China. Although we all fought against this, it was not as big a threat as China has become today.

I'm not saying that China is the only problem, but today it is the biggest problem. Therefore, I believe that if we have a measure at our disposal for China, we should use that measure.

As someone mentioned, we should begin a talk with China, because China will continue to produce. And yes, there is probably more supply than demand, or more ability to produce than we can consume. But let's not forget that there are other ways by which we can keep production local. How many people working in the buildings in Ottawa are wearing uniforms? These are things that should be made in Canadian places, as much as we can.

I know it's sometimes a stupid example—it's not scientific, rather—but look at American Apparel. Have you all seen those little American Apparel shops that sell a T-shirt for \$40, while it probably costs less than 25 cents to make it in China? People are paying \$40 for that T-shirt nonetheless, rather than going to Wal-Mart or someplace where they can buy it for five dollars, because they believe—and I'm saying "believe", because we're not of that same opinion—that they're not made in sweatshops, that the people who made those T-shirts did so in good working conditions. So if American Apparel is growing like wild grass, then there are people in Canada who are ready to pay a bit more, knowing that the working conditions in which the products they're buying are made are good.

I know I kind of turned your question around a bit. I answered it briefly but brought in another issue. We are in the new global economy. We are in a new market, but we need to adapt and live with it.

So now we have a safeguard measure at our disposal. Let's use it and begin talks with China. Let's try to control this bleeding that we currently are living with.

**Mr. Peter Julian:** So you don't buy the argument that it would simply have no effect? You believe that it would have an impact, and we would be able to save Canadian jobs, if there was a—

**Ms. Lina Aristeo:** Definitely. American jobs were saved when safeguards were put in place, and right now there are so many people losing their jobs. So when we say it's just a management issue, I can't agree. Thousands and thousands of people are losing their jobs annually because of what's going on in this industry, and unfortunately some management don't wish to react and other management can't react.

**Mr. Peter Julian:** Thank you.

Now to Mr. Lifson and Mr. Kirke, essentially you were saying similar things to Ms. Aristeo, in the sense that there is an understanding that the industry has to make adjustments and look at new marketing, new approaches. But what I can't understand is why you would object to having a protection in place, a safeguard for those couple of years, in order to achieve that readjustment, because the fallout in terms of lost jobs is—

• (1100)

**Mr. Elliot Lifson:** With all due respect, I don't know whether you complimented me or not on theory, but I don't think it was a compliment. I'm a practical man, because I live it every day. You might be theoretical, but I'm practical. I'm in the trenches, so let's remember that, okay? And I'm not running for office.

**Some hon. members:** Oh, oh!

**Mr. Elliot Lifson:** Maybe I should, but anyway, in spite of that, what I want to say is that I'm going to go back to what you said. I could see where your thinking is, so if I sat across from you all day, I'd have a hard time changing your thinking. But if worldwide capacity is twice worldwide demand, and if it's easy to move from one country to another, then if you put a fence up, you're going to get it in the other door, especially if the other door allows you to bring it in tariff-free from Bangladesh.

That's a practical issue, because I'm living it every day. It could be done. The reason other countries had an industry, sir, was because the Chinese quota was utilized before. So all these other countries developed. It all went back to China because it's easier to deal there. It has a better infrastructure; I'll agree with that. But when it comes to cost and you're fighting on price only, then you have to go to the lowest-cost producer, so you're going to run to Bangladesh. China is not going to be an answer for this country. That's the reality.

The question of American Apparel is a great example. In other words, I agree, move up the value chain. These are the companies that are going to survive: the ones that have a price-value relationship. We will never be the lowest-cost producer. We just won't. It hasn't worked in the United States, so it's not going to work here.

That's the practical answer. Theory I'll discuss with you all day, and I have no animosity.

**The Chair:** You have thirty seconds.

**Ms. Lina Aristeo:** If we look at one of the employers that wants the safeguards, which is one of the largest employers in Canada after Peerless, they have already said, "I will never import from China. I want to remain a 100% Montreal company, but he brings in suits from China and says these are as good as my stuff, and I really don't know what I'm going to do".

**The Chair:** Thank you, Mr. Julian.

Thank you to Ms. Aristeo, Mr. Lifson, and Mr. Kirke for coming today and presenting and for answering the questions. I appreciate it very much.

Perhaps you could leave on your own. I don't mean it the way that sounds. It's just so that we can continue with the meeting.

Yes, you can certainly stay if you want.

Mr. Julian, on your motion, the normal way to proceed would be for research to develop a report. We could have a report together by Thursday if you'd like to proceed in that fashion. The normal fashion is for a committee to put together a report based on what we've heard from witnesses and to then bring the report to the committee, and if modification of the report is necessary, do that and then vote on the report.

Is that an agreeable way to proceed here, Mr. Julian? It's the normal way.

**Mr. Peter Julian:** Nice try, Mr. Chair.

**The Chair:** It is.

**Mr. Peter Julian:** We have had witnesses on this, and the reality is, from the rumours we're hearing from the government, that there won't be a Thursday meeting.

• (1105)

**The Chair:** Certainly we'll be back after Christmas, then, Mr. Julian. But the point is that your motion is prejudging the testimony.

**Mr. Peter Julian:** Mr. Chair, given the fact that testimony did indicate that we're losing five to ten jobs every day, basically, setting it aside for six weeks means...how many additional families are suffering in this country? I think it's fair to say that we should be proceeding forthwith on this. Certainly it would be important for this committee to report back the results of the motion to the House, so that we can then have the debate in the House that needs to be held on this.

I would suggest we proceed on this. We are of course in the committee's hands, but I believe the appetite of the committee would be to move forward on this motion.

**The Chair:** If that seems to be the way the committee wants to proceed. We had agreed, certainly, to deal with your motion, Mr. Julian, and we will.

Perhaps we could keep the discussion on the motion as brief as possible. We do have people who have other commitments, I know that.

Let's get on with it, then. We have one other person who so far has indicated they would like to speak, and that's Monsieur Cardin, and also now Monsieur LeBlanc. We'll see if there are any others.

Perhaps you could make your points as briefly as possible, so that we can get to the vote.

[*Translation*]

**Mr. Serge Cardin:** Mr. Chairman, I asked for the floor earlier because I wanted to express my support for allowing Mr. Julian to introduce his motion. However, as for the motion, my colleague who tabled an amendment will speak to this matter.

**Mr. Guy André:** With a view to supporting Mr. Julian's motion, I hereby withdraw the Bloc motion that I had moved and that read as follows:

the committee [...] urging the Government of Canada to counter disruption of trade in specific categories [...]

I withdraw the proposed amendment

[*English*]

**The Chair:** To withdraw the amendment, we either have to vote on it or we need unanimous consent.

(Amendment withdrawn)

**The Chair:** We will go to Mr. LeBlanc and then to Ms. Guergis, on Mr. Julian's motion, unamended.

**Hon. Dominic LeBlanc:** Thank you, Mr. Chairman.

[*Translation*]

Mr. Chairman, I just want to be certain that I understand clearly.

[*English*]

Has Mr. Julian now moved his motion?

**The Chair:** Yes, it has been moved.

**Hon. Dominic LeBlanc:** Mr. Chairman, perhaps in an effort to expedite the meeting I can speak on behalf of my Liberal colleagues here. We intend to support Mr. Julian's motion.

I would like to make one amendment, and I'm in your hands. Mr. Julian, I think, is amenable to the amendment. I would simply like to add a sentence at the end of Mr. Julian's motion that would say:

the committee further call on the government to begin bilateral negotiations with China, similar to those undertaken by the United States and the European Union, to reach an agreement on imports of clothing and textiles and that the committee report this matter to the House of Commons forthwith.

**The Chair:** Do you have that in writing, Mr. LeBlanc?

**Hon. Dominic LeBlanc:** I do, Mr. Chairman.

It wasn't intended to be ambiguous. If somebody wants to suggest... Our premise is that once safeguards are triggered, the committee would urge the government to begin negotiating a bilateral arrangement as was done in the European Union and the United States. And to be clear, Mr. Julian and I wanted to make sure the committee asked the chair to report this matter forthwith to the House of Commons.

**The Chair:** I have some concern about whether this motion is appropriate. I think it changes the intent and it appears to be a separate motion.

The clerk has indicated it may be in line, but I really wonder about that. But we certainly need clarification, Mr. LeBlanc, on what you mean at the end of your motion, "that the committee report this matter to the House".

**Hon. Dominic LeBlanc:** Mr. Chairman, I would be in your hands or the clerk's. What is the precise phrase that needs to accompany this motion to require the report to be tabled in the House of Commons?

**The Chair:** Okay, that's what you're looking for.

**Hon. Dominic LeBlanc:** Yes, that's exactly what I'm looking for.

**The Chair:** That the motion be reported to the House.

**Hon. Dominic LeBlanc:** Yes. I'm not sure "motion" is the right term, but that the committee then report to the House on...

[*Translation*]

I simply wanted some clarification. If this motion is adopted, the committee will report to the House. It was simply a matter of coming up with the appropriate wording.

● (1110)

[*English*]

**The Chair:** All right, so what we'd do is put at the start of Mr. Julian's motion, "that the committee report to the House", and that can be done.

**Hon. Dominic LeBlanc:** Sure. Thank you, Mr. Chairman.

**The Chair:** All right.

Ms. Guergis is up next.

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Thanks very much.

**The Chair:** Oh, sorry. We haven't dealt with that issue. This is a proposed amendment.

First, is there agreement with the amendment, or should we go to discussion on the amendment? Is there agreement on the amendment proposed by Mr. LeBlanc?

**Ms. Helena Guergis:** No, not from us.

**The Chair:** No? Okay, then we'll have to go to debate on the amendment.

Ms. Guergis.

**Ms. Helena Guergis:** No. I would like to discuss the original motion.

**The Chair:** Okay, any discussion on the amendment?

Mr. Julian.

**Mr. Peter Julian:** Thank you, Mr. Chair.

I support the amendment. I think it's effective and makes the motion itself more specific and allows the government to take measure. I would hope we have four-corner agreement from all four parties around the committee table, because of course Mr. Menzies was very clear in the last federal election campaign that Canada should be following the successful example set by the U.S. and the European Community on this.

And this is a quote from Mr. Menzies in the last federal election campaign: "A Conservative government would stand up for Canadian workers and work proactively through international trade policies to ensure Canada competes on a level playing field."

Certainly Mr. Menzies, I would assume, would be in support of the amendment as well.

**The Chair:** Mr. Cannan, on the amendment.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

I want to clarify. Maybe the mover of the amendment could comment. I know that in your correspondence that was sent out this morning it says, "Even though surging imports of clothing from China have devastated Canadian jobs and manufacturing, the previous Liberal government in Canada decided not to exercise this option".

I'm wondering why you've decided to embark on this pass now when a short while ago they decided not to.

**The Chair:** Is there any further discussion on the amendment before we go to a vote? Then we will call the question on the amendment.

(Amendment agreed to)

**The Chair:** Now we will go to further discussion on the motion as amended.

Ms. Guergis.

**Ms. Helena Guergis:** Thank you.

Mr. Julian talked about Mr. Menzies' quote. Nowhere in his quote did it say that he would support safeguards. I don't think he should be speaking for Mr. Menzies. He's not here. So don't be putting words in his mouth. It doesn't say safeguards in that quote in any way, Mr. Julian. There are lots of ways you can achieve that without safeguards.

I do want to point out here that in the past the Liberal Party, of course, didn't support this measure, and I suspect that if they were on the government side today, they wouldn't. We see a game of politics being played here, and in my opinion, it's a little bit of shameful behaviour.

Again, I also see from this committee—which is not shocking, because this is the way it's been all along—that we completely ignore the normal procedure here. This may be a new committee, but there is a procedure that all committees are to be following with respect to research papers. Our researchers here, who are extremely talented, have not been able to do any of the work that we have been here for. It's their job to take a look at what the witnesses have to say and put together a report that all of us around the table look at line by line, fine-tune, and tweak. And that's what you give to the government with your recommendations in it. This procedure of putting a motion together that's only one-sided and that doesn't take into account the differences in opinion that we hear at the table is just irresponsible. Somebody has to hold you guys accountable for that. That's irresponsible.

Why would we not continue with the researchers the way we're supposed to and let them put forward a proper report that we can put forward? It doesn't prevent you from having everything in it that you want. It just shows that we've had other witnesses—which we have—who have not agreed with your position on that side of the table.

I also thought that perhaps some of the good work we could do at this table would be to talk about how the industries can adapt to the new trade environment, taking into account some of the recommendations they had, and give those to the government, and not simply say that there's only one option here. Because there are a lot, and we've heard those kinds of recommendations at this table, as well. I think that would be helpful. I think we're doing the entire industry a

great injustice by not even acknowledging those other options, the other recommendations, and the other good work that's been done. I think that's very disappointing.

We, of course, know that since 2002 it's been \$120 million. I will give credit to the previous government for that, for supporting the industry. But right now, I think you guys are really making a huge mistake. Perhaps it's not sexy, and it's not going to make the media headlines to see that you're completely flip-flopping on your position and being irresponsible. But it will be held against you at some point, and I can probably guarantee you on that one.

We will be voting against the motion because we believe in the good work of the researchers. We believe there is a process that's been followed for years here in government, and we would like to see a proper report done, because that is the way it should be done, and we respect process.

• (1115)

**The Chair:** Thank you, Ms. Guergis.

Of course, that is a point that, as chair, I felt I should make, which I did. I think it clearly lowers the quality of the work done by committee when we don't go through the normal, accepted procedure of having reports produced by research and then brought back to the committee. That is a concern I have as chair, and I expressed that at the start of the meeting.

Thank you, Ms. Guergis for your comments.

Monsieur André.

[*Translation*]

**Mr. Guy André:** I just want to comment quickly on this motion.

I don't think we need to do any research into the apparel and textile sector. Since 2002, 24,000 jobs have been lost. Half of the jobs in this sector in Quebec have disappeared.

I don't understand why the parliamentary secretary, Ms. Guergis, is so adamant about our studying this matter further. The apparel and textile industry is in crisis. We need to act quickly. I can't go along with the idea of doing more research. Again, I think that concrete action is warranted as soon as possible.

[*English*]

**The Chair:** Okay, we'll go to Ms. Guergis and then to Mr. Temelkovski—if you could finish your comments as quickly as possible—and then to Mr. Cannan.

Go ahead, Ms. Guergis.

**Ms. Helena Guergis:** I have not said that we needed further research. I said we needed the researchers to do the report the way that is standard procedure at all committees, not pass motions that are one-sided, giving only one part of the whole program and only one part of the witness testimony. I'm sure you must agree that we do the entire industry a great injustice by ignoring the other witnesses who've taken the time to be here to give us their evidence.

I'm not asking the researchers to do research. I'm asking them to put together a report based on the research we have been receiving here at the table. I don't think that's unreasonable. That is normal procedure. We're completely disrespecting not only their work but the other witnesses who've come before us, as though what they've had to say is of no importance or of any value whatsoever. And that's just not realistic.

**The Chair:** Thank you, Ms. Guergis.

Mr. Temelkovski.

**Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.):** Thank you, Mr. Chair.

I think the parliamentary secretary is jumping to conclusions. I don't think here on this side we want to exclude the report. We are bringing attention to the motion, but we are definitely open and we encourage that we work on a report as we come back because we understand that we may not see a Thursday meeting this week. Therefore, the motion is appropriately timed as well, as a report should be forthcoming as we come back, when we will have more time to discuss and give the researchers time to do their work. And then we can discuss their report further and table it in the House after our return in January.

**The Chair:** Mr. Temelkovski, of course the problem with this is that the report put together by the researchers may contradict the motion, and then our committee, once again, is certainly not presenting itself as a cohesive, thoughtful committee. That's why the normal procedure is for researchers to put together a report, which then is discussed at the committee, passed at the committee in some form, and then goes to the House.

**Mr. Lui Temelkovski:** Oftentimes, Mr. Chair, reports do not reflect the opinion of every member on the committee, and are dissenting reports. And we have mechanisms to deal with different views in making a report to the House.

**The Chair:** The issue, Mr. Temelkovski, is that the motion does not reflect, as Ms. Guergis has said, the witnesses we've heard. The motion came before we even heard from the witnesses. As chair, I'm not commenting on the motion really, I'm only commenting on the procedure, and I am concerned about that. I am concerned the committee could look weaker because of this procedure.

I will continue. Someone else had indicated they wish to speak. Mr. Cannan is next, and then Monsieur Cardin.

• (1120)

**Mr. Ron Cannan:** Thank you, Mr. Chair.

I also wanted to comment on the process versus politics. I think there's a real lack of productivity in this committee, and it's been very disheartening. This is my first term in office, and I'm really excited about this committee, and unfortunately, it's been very dysfunctional because of these kinds of ideas.

The witnesses we heard from today, and even the last two breakfast committee meetings we had, or subcommittee meetings, to me were some of the best meetings we had. They were depoliticized, and we heard straightforwardly where we need to go as a nation and as a country to help increase productivity as a government. I would recommend the mover of this motion to read those minutes. Unfortunately, he wasn't here for the breakfast meeting this morning,

but the specifics were that people who live in protected industries are not as well off as those who work in a competitive nature.

As Mr. Lifson indicated, they have some real world solutions and really great practical solutions. I think government needs to focus on how we can accomplish those and what we can do to help industry move forward on innovation and creativity and increase customer service as well as offer a superior value. That's what I'd like to see this committee focus on rather than just politics.

I won't be supporting the motion. Thank you.

**The Chair:** If the committee insists on going ahead with this motion, would the government like to put in a dissenting report? That's one way we can—

**Ms. Helena Guergis:** This isn't a report, though, that we're getting. How can I make a dissenting report to a non-report?

**The Chair:** It will be considered to be a report to Parliament.

You can consider that, and I'll go to Mr. Cardin for his comment.

[*Translation*]

**Mr. Serge Cardin:** Far be it for me to make assumptions, Mr. Chairman, but Mr. Julian tabled this motion several weeks ago and its consideration has been systematically deferred. Now, on the eve of a one or two-month break, we're saying that it is going to be deferred once again because we don't have a report from the researchers.

When the Liberal Party was in office, members were sufficiently informed. Therefore, I don't think we need to do the research over again. When the Conservative Party was sitting in opposition, members had ample opportunity to gauge the situation in the apparel and textile industry.

I think that Parliament needs to send out a fairly clear message at this point in time. This motion, however it may be crafted, sends a clear message to Parliament. I believe that message must be conveyed immediately.

While the House breaks for two months, some people will be not be on holidays. Nor will we be, for that matter. Drawing inspiration from this motion, they can work on finding possible solutions to this crisis situation.

[*English*]

**The Chair:** Let's go to the vote.

Monsieur André, you have a comment.

[*Translation*]

**Mr. Guy André:** I'm ready to vote. I'd like to call the vote on the motion.

[*English*]

**The Chair:** We'll go to the question now on Mr. Julian's motion as amended.

(Motion as amended agreed to)

**The Chair:** Mr. Julian.

**Mr. Peter Julian:** Mr. Chair, when would you be reporting that to the House?

**The Chair:** We'll have to see how long it takes. I'll sure try to do it tomorrow.

**Mr. Peter Julian:** Thank you.

**The Chair:** Mr. Cannan.

**Mr. Ron Cannan:** I'm willing to meet on Thursday. When will we know if our meeting is cancelled? Or are we cancelling it for sure?

**The Chair:** I guess we can't make assumptions. I don't know when the House is going to break. Maybe you have some other information that I don't.

**Mr. Ron Cannan:** No, I don't. I'm just wondering if the clerk has any agenda for Thursday and if we're meeting.

**The Chair:** Actually, there is no meeting planned for Thursday. We anticipated that the House would not be sitting.

Since this is the last meeting before Christmas, I'd like to wish all members of the committee and all staff a Merry Christmas. Have a great break.

This meeting is adjourned.

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