

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! The time allocated for questions and comments is now over.

I now recognize the Hon. Member for Spadina (Mr. Heap).

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have an opportunity to support this motion from the Liberal Party which is condemning the Government for breaking the promise of the Prime Minister (Mr. Mulroney) when he promised shortly before the last election that he would not take off the quotas on the footwear industry. The Government chooses to get into an argument about whether it was really the previous Liberal Government that caused the problem or not. I am not interested in trying to sort out how much each of those two Governments was responsible for.

What I am concerned about, Mr. Speaker, is that the decision of this Government, which was a free decision, it was not in any way compelled or constrained, they had their options, as all other Governments do, including the Governments of countries like Taiwan, which sells shoes here but forbid us to sell shoes there, they had their options and they chose to cut off most of the quotas and thereby they chose to cut off an unknown number of jobs. It has been estimated that as many as 10,000 jobs will be lost. We don't know certainly, but we do know that when the previous Liberal Government four years ago cut the quotas off, within three or four months 3,000 jobs were lost. I remember the present Minister of Public Works (Mr. La Salle) when he sat on this side of the House making that very complaint. I wonder how he is going to feel now when thousands of jobs are lost by the action of a Government of which he is a member.

We have heard an estimate that the quotas have cost the consumers \$500 million. That is an estimate. There is another estimate that removing the quotas will cost the consumers \$800 million in lost jobs and benefits because most of them were not top-paid workers but reasonably well-paid workers. Unemployment insurance, welfare payments and, of course, lost taxes will represent a great loss than is estimated for the cost of having the quotas on. They are both only guesses, Mr. Speaker. What is at stake here, as my colleague has said, is really the doctrinaire conviction of this Government that it should give all the benefits to the entrepreneurs at the expense of those who have to live by their wages and salaries.

The injury has already begun. We have people saying there is no injury expected to the industry but the injury has begun. I pointed out two or three weeks ago that several thousands jobs have already been lost in this industry in Ontario and Quebec because buyers have held off buying in anticipation of this decision by the Government. Therefore, we have already lost jobs and we will lose more jobs now.

The tribunal report is quoted and yet the tribunal report acknowledges on page 42 that the decrease in domestic production in the face of increased import competition—they

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already said there would be a surge—may be expected to be significant. Farther down they say the dislocation associated with this process of adjustment will be severe in the case of those enterprises and those employees directly affected. There are many other places in which the tribunal acknowledges that there is going to be injury. It is therefore frivolous of the tribunal report to say in its recommendations there will not be and of the Cabinet, the Government, to say there will not be.

The tribunal report also shows something else quite interesting, that is that the quotas were so mishandled and so misconceived under the previous and present administrations that they benefited the large importers and some of the large retailers chains such as F. W. Woolworth under the name of Kinney more than they benefited the producers they were intended to benefit.

This will continue, Mr. Speaker, even without the quotas. What happens is that the importers may mark up 100 per cent a pair of shoes that cost \$15 to make in Canada. They may be sold for \$30, the mark-up going to the trade, the commercial end. However, on a pair of shoes made abroad for \$7 and also sold for \$30, there is an extortionate mark-up, a mark-up of \$23 instead of \$8. That is where the consumers may be losing. In fact, Mr. Speaker, the tribunal report shows that the footwear industry has done better than average of Canadian industry of keeping its manufacturing costs down. Between 1974 and 1983, the total economy moved from an index of 132 to 290, whereas the footwear productivity and prices moved from 133 to only 262. The footwear producers were more efficient than the total economy of Canada and more efficient than manufacturing. That went up to 298. Whereas they started at 132, 138 and 133, the total economy went to 290. Manufacturers went to 299 and footwear went only to 272. Therefore, it is not the manufacturers who have been gouging the consumers, it is the importers, the very ones who are hollering for the end of the quotas. The recommendations of the tribunal and the decisions of the Cabinet simply do not fit the facts that even the tribunal admitted.

I want to go into a much more serious matter, one that the tribunal seemed to take no interest in whatsoever. Three-quarters of the imports into Canada last year came from five countries. Out of 53 million pairs, Taiwan sent 17 million; Italy, nearly six million; South Korea, over 11 million; Hong Kong, over three million; and Brazil, over three million. That is three-quarters of the imports. We are told we have to be competitive and this is where the tunnel vision, the dogmatism of this Government, is disastrous for Canadians.

Taiwan is a country in which the Government is ferociously anti-labour. When I visited there two years ago I talked with clergy who had been in jail several times for the crime of trying to help workers organize unions. Taiwan is a low wage country. Hong Kong is another low wage country, not as low as some others in the Pacific but still relatively low. Brazil is a low wage country. In many of these countries, Mr. Speaker,