

I see my time is up and I will conclude on that note.

● (2207)

Mr. Maurice Harquail (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Vancouver South (Mr. Fraser) has been very busy. He has two questions tonight, one dealing with imported shoes and the other with import quotas.

Let me deal with imported shoes first. In response to this allegation I wish to state that the figure of 11 million pairs is inaccurate. The correct figure is 7.5 million pairs. In 1976 imports amounted to 40 million pairs of leather and vinyl footwear, an increase of 46 per cent over 1975. Government action has limited such imports to 32.5 million pairs, a cutback of 7.5 million pairs or a reduction of less than 19 per cent. While 1977 data are not available, it appears that imports will reach the 1976 level. This cutback of 7.5 million pairs represents 16 per cent of the 1976 Canadian production of 45.8 million pairs. Therefore, the replacement of 7.5 million pairs of imports would require not the alleged 50 per cent increase in domestic output but 16 per cent, which I am confident the Canadian industry is capable of producing.

To turn now to the textile question, under the Export and Import Permits Act, transfer of an import permit is prohibited as well as the transfer of quota allocated as a condition to the issuance of such a permit. In several instances the Department of Industry, Trade and Commerce has been asked to authorize the transfer of quota from one company to another as a result of the business changing hands or of a change in the structure of a particular business. All such requests for transfer of quota have been refused by officials in the department.

The department has also been apprised of several instances where possibilities of buying or selling import quotas were offered in newspapers. All cases brought to the attention of the departmental officials have been investigated. To date the results of two of these investigations have been received. It has been established that certain people were using the words "Quota for sale" or "Quota wanted" when they were in fact referring to goods already imported under the authority of an import permit issued under the Export and Import Permits Act after a valid quota had been obtained. The reason for using the word "quota" is simply that those goods had been imported as a result of allocation of quota. So far, none of the investigations have established that quota were in fact being bought and sold in Canada.

Perhaps I could make one last point with respect to imported shoes. Imports of 32.5 million pairs of leather and vinyl footwear permitted by the cabinet decision are considerably higher than imports in any year except 1976 and 1977. If to this we add approximately 15 million pairs of rubber, canvas and other types of footwear exempted from the quota, plus the capabilities of the Canadian footwear manufacturing industry, I am confident that retailers and consumers will have a very wide selection in terms of price, fashion, quality and function.

Adjournment Debate

TOURISM—PROBLEMS IDENTIFIED AT INDUSTRY CONFERENCE—GOVERNMENT ACTION TO SOLVE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, Canada registered a record fourth quarter tourism deficit of \$340 million compared with a shortfall a year earlier of \$293 million, Statistics Canada has reported. The tourism deficit for 1977 was also a record, totalling \$1.66 billion compared with a 1976 gap of \$1.19 billion.

Canadian visits to the United States are on the increase. Statistics Canada has reported that Canadians made 37.9 million visits to the U.S. during 1977, an increase of 5.5 per cent over the total for 1976. The number of trips to Canada by U.S. residents fell by 1.4 per cent from the 1976 total to 31.8 million in 1977. Similarly, the number of trips to Canada by foreign visitors from all other countries, at 1.4 million, was down 9.7 per cent from 1976. From these figures hon. members can see the dangerous trend which is developing in Canada with regard to tourism.

The statement made by the Minister of Industry, Trade and Commerce (Mr. Horner) with respect to alleviating the current \$2 billion tourism deficit amounts only to window dressing. Tonight I am calling for the implementation of the following measures immediately.

I propose a reduction in sales taxes on promotional literature to the United States, and income tax reduction for Canadians who travel within Canada, reduced federal sales taxes, and, most important, that federal and provincial governments agree on a promotional package instead of each presenting a different picture of Canada as is the current concept. This does not mean that the provinces should abandon the practice of advertising individually but rather should adopt a more national promotional picture.

● (2212)

The federal government is spending \$1.5 million to promote Canadian vacation packages at rock bottom prices. This great promotion is to start next month. However, many are not new, and many do not offer particularly low prices. An Ottawa travel agent says it is a lot of window dressing for a project which is basically unchanged. Also, much of what they are offering travel agents sold independently last summer. The packaging makes it easier to sell the product, an agent said, but that is all that is different. The price is not really different. The massive promotional approach to Canadian tourism is. One can see this is a lot of window dressing and not concrete proposals.

The Canadian tourism industry and the Canadian government office of tourism held a conference recently. The highlight was 13 problem areas facing the tourism industry in Canada. Referring to marketing, they stated, I quote:

Canada's visibility in the U.S. market was about 75 per cent this year because of frozen marketing budgets. Canada's visibility will be reduced to 60 per cent next year if CGOT marketing budgets do not increase. . . . It was suggested that more work should be done in the "V.F.R." (visiting friends and relatives) category. It is not known what motivates these people to come nor has it been fully determined exactly how many dollars were spent in areas other than accommodation.