

is hard pressed to figure out how prices will fluctuate in any sector.

In any event we can always question the morality of dumping. When a country sells its products below cost, that is called dumping. When it pays its workers very low wages like about \$1 per day, when it bans all unions and does not insist on healthy working conditions, this is immoral. And Canadian workers cannot compete with such conditions.

We have to maintain and improve our quota system. We in the NDP, are convinced that the quotas can help the industry giving it time to modernize so as to be able to compete on the international market. To achieve that modernization the industry needs time. The restructuring and modernization process has already started. Unfortunately, things have progressed slowly. The Government's support for this industry before 1981 was very limited, about \$2.7 millions. As of 1981, the Canadian Import Tribunal allocated more money, that is \$14.1 millions. But, of this amount, only \$2.2 millions have been paid. This shows that the companies are at the beginning of the modernization process and that to restructure the industry will require more time.

The quota system is not problem free. The Canadian Import Tribunal notices that only 6 per cent of the benefits go to the manufacturers. The quotas were mainly to the benefit of importers and big retailers to the detriment of small retailers.

There is no quotas for plastic shoes which have been imported in extremely large quantities.

In general, imports have increased by 23 per cent between 1980 and 1984, because of the loopholes. We have to plug these loopholes and improve the quota system to make sure that the benefits go to the manufacturers and the retailers which sell Canadian shoes.

If we simply lift the quotas, the industry will be destroyed and the workers will lose their jobs. Moreover, we will waste the initial investment. We should not abandon this industry but promote the modernization process, and especially we must make sure that the workers male and female, and their families keep their jobs.

[English]

This morning the Minister suggested that the program of quotas had actually worked and that that was why it was being discontinued. He suggested that in the area of men's footwear, where the program is being discontinued, the quotas had had an effect and modernization had taken place. He said that they were able to compete and that the problem existed only in the area of women's and children's footwear. However, a closer look at the figures suggests otherwise. Of the nine companies receiving grants under the support program, seven were grants to companies producing women's and children's footwear and a couple of them were for women's footwear only. If the Minister's contentions were correct, then this list would have been of companies producing men's footwear. It would have been these worthy companies which got the grants,

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the grants which helped them to do the modernization necessary and were no longer needed. The logic is certainly very attractive. It just happens that the facts do not match up to the logic.

● (1720)

The report of the Canadian Import Tribunal itself, which is supposed to have been the basis for the Government's policy, in fact supports the argument that the New Democratic Party makes. The Tribunal has noted that there was no indication that a major restructuring had taken place. It shows how imports in the United States have zoomed up with the dropping of quotas. The job loss in Canada would have been very much worse than it has been—and it has been bad all over Canada—where there is an industry of this sort. It certainly has happened in my riding and I know our colleagues in Quebec are very concerned about job loss there.

There is a lesson, I believe, in the failure of the program to do the job. It is a lesson on how to approach job creation. The Liberal approach was obviously not adequate. It had a program of throwing money at the companies but obviously the money was not properly spent. Most of it was not spent at all. Modernization did not start. Simply introducing a program and hoping for the best is not enough. It has to be a rational program. It has to be worked at. There has to be adequate time. Other countries which have done this kind of economic planning have put their money where it could be used, into modernization, and have had far better results than this program. A very modest program it was, but even so, it has simply not been used the way it could be.

The Conservative solution of simply giving up, of being prepared not to have any domestic industry at all, I feel is unacceptable. It is a solution the Conservatives like because it suits an abstract political philosophy. It is deregulation. It is free trade. It suits the Conservatives political ideology but it is not good for the people of Canada and it is certainly going to be very disheartening for people who have lost jobs and those who risk losing the jobs they have. We say that political philosophy is not important. It must serve the people and must not be a principle upon which everything else can be ignored. The lives of families, of communities, of people, should not be ignored for the sake of this abstract principle. It is hard to judge other people's motives, but it is very much a matter of concern in this period in which free trade is being discussed. The country's willingness to take all of these risks for the sake of a political principle, its willingness to go along with the United States on free trade, is something which is of very great concern to us.

We say there is a far better solution. It is not to give up and abandon people, their families and communities. It is to make the program work. It is to encourage modernization, to plan carefully and to keep the protection going as long as it is needed while this modernization does take place. We are confident our people can cope and compete. There is no reason why Canadians cannot make footwear which competes in the world markets. There is no reason why we cannot have a