

Oral Questions

1982 will be close to 40 per cent higher than they were last year.

Mr. Nielsen: In a pig's ear.

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FINANCE**ISSUANCE OF TAX INFORMATION SLIPS BY LIFE INSURANCE COMPANIES**

Mr. Jack Burghardt (London West): Madam Speaker, my question is for the Minister of Finance. It has been brought to my attention that a number of life insurance policyholders have received information slips for the 1981 tax year indicating that they must pay tax on interest income earned on their life insurance policies.

Mr. Baker (Nepean-Carleton): I have one of those also.

Mr. Burghardt: These policyholders have been informed by their life insurance companies that they are required to pay tax on this income because of the tax changes contained in the November 12 budget. Would the minister please indicate if the budget is indeed the cause of these slips being sent to policyholders?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can assure the hon. member that there is no provision in the budget which would necessitate sending out taxation slips affecting the year 1981. If that is happening, it is either as a result of a misunderstanding of the impact of the budget by the insurance industry, or a misunderstanding on the part of policyholders.

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INDUSTRY**PROTECTION FOR CANADIAN FOOTWEAR PRODUCERS**

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion. On December 1 last year the government removed the import quotas on leather shoes. I think we all know about the lay-offs and tremendous hardship faced by that industry across the country. We also know about the joint appeal by the trade unionists representing the workers and the industry that we need some kind of protection for the Canadian industry, otherwise we will be at the mercy of offshore prices in a few years. Will the minister tell the House whether or not he will accede to the wishes of the workers and the industry that at least half of the Canadian domestic market be protected for the Canadian producers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the policy which we announced last fall reflected the findings of the Anti-Dumping Tribunal which

said that our industry was able to meet competition from developed countries, including state trading countries. These were the sources of most of our imports of leather shoes. Therefore the policy in question indicated that we would not only continue the quota protection we had previously on non-leather footwear, but we would extend that to the kinds of non-leather footwear which had not previously been covered. But as the hon. member pointed out, we would not be continuing the quota system on leather footwear.

An hon. Member: Yes or no.

Mr. Gray: At the same time, we created a \$17 million fund to assist in the modernization and increased competitiveness of the total footwear sector to be administered by the Canadian Industrial Renewal Board. It is certainly our intention to have a modern, stronger footwear sector, with all that means for the workers in that sector.

Some hon. Members: Order.

Mr. Gray: With respect to representations which were made yesterday, as I said, we certainly will be willing to consider them.

Mr. Nystrom: I simply wanted to know whether the minister will reconsider the position since we are having trouble meeting competition. We have some real problems in that industry.

LEATHER FOOTWEAR IMPORTS

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question. Three weeks ago, on January 27, the task force on the footwear industry in Quebec, whose members represent labour, the industry and the government of Quebec, sent a telex to the Minister of Regional Economic Expansion requesting restrictions on imports of leather footwear. However, the Minister failed to reply. Why?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all, I should point out that the government wants to help the footwear industry and its workers to compete on international markets, not only through our quota system but also through our modernization program. We intend to meet spokesmen for all areas of the industry and to continue the discussions started last December on the aspects of the situation mentioned in the telegram. Only yesterday, several of my cabinet colleagues had a very useful meeting with senior spokesmen for the industry.