

The new policy combines some special measures of protection so that Canada will continue to incur some of these costs at the retail level. However, the new policy adds protection for about half the industry, and we can expect to achieve improved levels of competition and some expansion in the retail sector, particularly by smaller retailers.

Moreover, to further improve the competitiveness of this sector, the new policy will reduce the restraints on entry and expansion by allocating, wherever possible, new quota resources to those who do not enjoy quota rights.

[*Translation*]

Mr. Speaker, I should like, if you would allow me, to consider in greater detail the consequence of our decision on the footwear industry and show you why we believe that our policy will be beneficial.

In view of the state of this industry and of the substantial costs of the quotas for the consumer and the distribution sector, three basic questions arise: What were the reasons originally for imposing quotas in this sector? Have these quotas had the expected effect on the industry? Is extension of the quotas desirable? In other words, do the benefits for the industry justify the substantial costs for consumers and the rest of the economy? These are the three questions which I now want to discuss, Mr. Speaker, because I believe that they go to the heart of the matter.

As indicated this morning by my colleague, the Minister for International Trade (Mr. Kelleher), footwear import quotas were first imposed in 1977 under Clause 19 of the GATT. This clause provides that a signatory country may, in an emergency, impose comprehensive quotas on the import of certain items when these imports cause or threaten to cause serious prejudice to a national industry. It is generally agreed that this protective measure must be temporary and not last any longer than necessary to enable the national industry to adjust to international competitive forces. At no time is it provided that the quotas can become a permanent protective measure. It is generally estimated that the adjustment process should normally last three years. As you are aware, Mr. Speaker, the footwear industry has already enjoyed eight years of protection, and some of the Members opposite would like this protection to be extended for at least five more years. In view of the considerable costs of such a protection for consumers and the Canadian economy as a whole, we have to ask ourselves, as we have in fact done, Mr. Speaker, whether it would truly be in the interests of all Canada to extend these measures, which risk becoming a crutch for the industry. If this industry has adapted to market conditions, protection is no longer necessary. If it has not yet adapted after eight years, we have to wonder whether it will ever adjust or whether quotas really are the appropriate remedy.

In the light of testimonies given during the public hearings held by the tribunal and of the conclusions of its analyses, the

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answer is clear. The industry has indeed adjusted, but it has done so in spite, rather than because of the quotas.

My time is getting short, Mr. Speaker. To conclude, I first want to summarize the main findings on which the policy of our Government is based. First, we noticed that the extended quota period which the industry has been enjoying since 1977 imposed considerable costs both on the Canadian consumer and on the Canadian economy as a whole. Secondly, it is clear that the quotas brought only meagre benefits to the Canadian consumer and that they slowed down the necessary restructuring in the industry instead of making it easier. Finally, there is no doubt that the extension of the quotas could only perpetuate those costs and delay all the more the required adjustments.

The conclusion to be drawn from these findings is clear, Mr. Speaker. Even without considering our international obligations and the substantial cost of the retaliation measures our partners threatened to use, it is clearly in the interests of the country as a whole to eliminate as quickly as possible the present quota system. This is both a matter of economic sense and of social justice.

Mr. Speaker, our decision on this question is an essential element of the Agenda for Economic Renewal of the Government. It illustrates our determination to adopt a structural adjustment policy taking fully into account the crucial role of international trade in the Canadian economy and the interest for Canada to work together with its trading partners to gradually eliminate tariff and non tariff barriers which hamper international trade and penalize the most dynamic elements in our economy.

The Acting Speaker (Mr. Paproski): Questions or comments; the Hon. Member for Richmond-Wolfe (Mr. Tardif).

● (1540)

Mr. Tardif: Mr. Speaker, first of all, I would like to draw the attention of the House on the most unusual fact, I believe, that the two Ministers, in speaking on behalf of the Government, made almost identical speeches. I have reached the conclusion that both statements had probably been written by the same civil servant.

Having said this, I would like to come to my question: The Minister's speech, as well as his colleagues, has an amazingly ambiguous flavour. You seem to be saying, and you are indeed saying in a way that there won't be any adverse effect as the industry is now able to face the competition. This is a point of your argument which you rest on and supposedly confirm through the antidumping report. On the other hand, you say that should there be adverse effects . . . Listen, it could happen, should there be adverse effects, support measures will be taken to help the men and women who will lose their jobs. Am I to understand that you made that decision without knowing, without assessing, without quantifying its impact in terms of