

Mr. Regan noted that, although the footwear manufacturing sector is beginning to benefit from the general recovery now being experienced by the Canadian economy, the government recognizes the concern about the possible threat to domestic production and employment as a result of footwear imports. He also stressed that the government remains committed to assisting the Canadian footwear industry to restructure and modernize its operations in order to meet international competition.

Mr. Regan said he was pleased that many companies have used the financial assistance program administered by the CIRB in order to foster the development of a more competitive footwear industry and to assist those communities and employees most affected by the restructuring process. He also pointed to the recent budget increase announced for the CIRB program on April 3, 1984, which will bring the total program funding to \$344 million for the five year period ending in 1986. One of the key objectives of the CIRB program is to assist the restructuring plans of firms in the textiles and clothing and footwear sectors.

Mr. Regan noted that the Canadian footwear industry's restructuring efforts are expected over time to improve the ability of Canadian manufacturers to meet international competition without the need for special measures of protection. "That is one reason we are asking the Anti-dumping Tribunal to consider possible approaches for phasing out the quotas," the Minister said. "The quotas have always been intended to provide time for what is a necessary structural adjustment by the industry. Obviously, this cannot be of indefinite duration, but we do want to ensure that the industry is given a reasonable period of time to adjust to competitive forces."

As well, as part of this process of adjustment, effective December 1, 1984 a change will be made in the existing pricebreak system for exemption from quota coverage of leather footwear above certain price levels. This will involve a reduction from the current pricebreaks of \$45 value for duty per pair in the case of leather shoes and sandals and \$75 value for duty in the case of leather boots to new levels of \$40 and \$67 respectively.