

Moreover, in the women's and girls' sector, the Government is committed to a phasing-out of quotas over the next three years. They will be increased by six percent the first year, eight percent the second, and ten percent the third year. By then, the quotas will have been in force for eleven years.

Mr. Kelleher noted that Canadian manufacturers will still be protected by a 23 percent tariff on imported footwear.

To assist those affected by this measure, the Government has planned a three-pronged attack. Mr. Kelleher said the Government will provide aid to companies, to communities and to individual workers in the footwear industry:

- Companies experiencing problems can go to the Government's Industrial Adjustment Service;
- Employees are also eligible for the Government's skill investment and skill shortages programs for professional retraining; older workers unable to take advantage of new job opportunities could benefit from the Labour Adjustment Benefits program;
- Affected communities could take advantage of the Industrial Adjustment Service and the Community Futures program.

Mr. Kelleher also said that continued quotas could jeopardize jobs in Canada. For example, last year when quotas were extended to November 1985, the European Economic Community threatened to exercise their right to retaliate. They threatened to raise tariffs to prohibitive levels on Canadian petrochemicals, steel products, kraft paper, furs and other products. This could have cost us \$150 million in sales to Europe -- and in industries that had nothing to do with footwear. "We managed to stave off this threat only by agreeing to forego duties on a range of European imports, at a cost of \$12 million to the Canadian treasury. Had we not done so a great many jobs would have been lost", Mr. Kelleher said.

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