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NEW FOOTWEAR POLICY

The Federal Government today announced its new footwear policy.

In making the announcement in the House of Commons, the Minister for International Trade, James Kelleher, said the Government took into consideration the effects of 8 years of footwear quotas.

"They have driven shoe prices up. Canadian consumers have paid somewhere between \$450 million and half a billion dollars more for footwear than they would have had there been no quotas", Mr. Kelleher said. "This increase has been felt by lower-income Canadians, both because their budgets are lower and low-cost imports have been restricted."

In June of last year, the previous Government directed the Canadian Import Tribunal to review the footwear industry's position. To carry out its mandate, the Tribunal spent one year conducting the most comprehensive review ever undertaken of our footwear industry. The Tribunal found that, by and large, the Canadian footwear industry has, in recent years, matched, and at times out-performed, the economy as a whole and the manufacturing sector in particular. The changes were brought about primarily by the pressures of the marketplace rather than eight years of quota protection.

"We now have an industry that, with one temporary and limited exception - the makers of women's and girls' footwear - is ready to stand up to the international challenge", Mr. Kelleher said.

The Government has therefore concluded that further granting of import relief would not benefit the whole industry and would not be in the country's economic interest. Accordingly, effective December 1, 1985, import controls will be continued only on women's and girls' dress and casual footwear. This sector accounts for nearly half of the Canadian industry's sales, and it is the only sector which the Canadian Import Tribunal found would be injured by an immediate removal of quotas.