

The textile, clothing and garment import market into the United States will continue to be dominated by the low-wage LDC's for some time to come due to the labour-intensive nature of the industry. The exception to this is in high-priced, high-fashion seasonal garments where Canadian exporters could be competitive and should benefit from the lower tariffs.

Toy exports face difficult competition from the LDC's due to the labour-intensive nature of the industry.

Textile label producers are experiencing economic problems brought about by the garment industry's horizontal integration into the label industry. At the moment, the garment industry prints its own labels in-house. The woven labels appear to be least affected but, their market depends upon the high-fashion high-priced garment industry's survival. The only problem to be studied further here will be the emergence of the sewing of brand emblems, such as "P" for Pierre Cardin, directly on clothes and dresses on an in-house basis, reducing the market for custom woven labels.

Gun manufacturing in Canada is not competitive and the Canadian market needs imports to satisfy its needs. Gun parts are imported and assembled here in Canada for home consumption.

The rainwear and hunting/fishing wear industry appears to be on the level of cottage industry in Canada. The current U.S. import market absorbs annual imports of \$26 million dollars. Tariffs are declining from 16.5% to 7.5%. Serious discussions should be considered with industry to take advantage of the opportunity.

Roof tile exporters may be helped to gain a significant portion of the market. Presently, Canada controls 11% of a \$50,591 annual market which is growing. Tariffs are reducing from 13.0% to 5.2% by 1987.

The distribution of study results to producer associations was effected by researching appropriate associations using the Directory of Associations in Canada, 5th Edition, 1984. Trade magazines were selected through the DEA library.

Copies of letters and announcements as well as the addresses are attached in appendix A-4 to A-9.