

TARIFF LEVELS. THE GOVERNMENT, OF COURSE, RECOGNIZES THAT CUTS IN CANADIAN TARIFFS DO INCREASE IMPORT COMPETITION AS WELL AS LOWERING THE CANADIAN DOLLAR COST OF IMPORTS TO USERS AND CONSUMERS. THIS IS NOT A NEW PROCESS, NEITHER FOR CANADA NOR THE OTHER TRADING COUNTRIES. IT IS A PRICE ONE PAYS TO SECURE WIDER MARKET OPPORTUNITIES, BUT ALSO TO LOWER INPUT COSTS AND HELP IMPROVE OVERALL EFFICIENCY AND PRODUCTIVITY. AND TARIFF CHANGES ARE ONLY ONE OF THE MANY ELEMENTS OF CHANGE WHICH INDUSTRY HAS FACED OVER YEARS PAST IN THE DYNAMIC PROCESS OF INDUSTRIAL GROWTH CHARACTERISTIC OF MARKET ECONOMIES. FOR THE MOST PART, INDUSTRY HAS PROVEN CAPABLE OF ADJUSTING TO NEGOTIATED TARIFF CHANGES. IT HAS, HOWEVER, BEEN INCREASINGLY RECOGNIZED THAT, FOR SOME INDUSTRIES, PARTICULARLY THOSE FACING STRUCTURAL CHANGES, ADJUSTMENT ASSISTANCE SHOULD BE PROVIDED TO FACILITATE ADAPTATION OR THE SHIFT OF RESOURCES TO MORE INTERNATIONALLY COMPETITIVE APPLICATIONS.

ON THE NON-TARIFF SIDE, THERE ARE A NUMBER OF ISSUES UNDER NEGOTIATION WHICH ARE OF CONSIDERABLE INTEREST TO THE CMA, AND HAVE BEEN AND ARE BEING ADDRESSED IN DETAILED GOVERNMENT/INDUSTRY CONSULTATIONS. THE NON-TARIFF ISSUES INVOLVED RANGE FROM GOVERNMENT PROCUREMENT PRACTICES AND PRODUCT STANDARDS TO SUBSIDIES/COUNTERVAIL, CUSTOMS VALUATION AND OTHER CUSTOMS REQUIREMENTS, IMPORT