

LESS LIBERAL OBJECTIVES ORIGINALLY FAVOURED BY JAPAN AND THE EC. IN THE END, THE TARGET OF A 40 PERCENT WEIGHTED AVERAGE CUT ON INDUSTRIAL TARIFFS PROBABLY CAME PRETTY CLOSE TO OUR OWN "BOTTOM LINE".

FROM A CANADIAN EXPORT PERSPECTIVE, A BONUS VALUE FROM A GENERAL TARIFF CUTTING APPROACH WAS THAT IT YIELDED REDUCTIONS ON ITEMS OF INTEREST WHERE CANADA WAS NOT THE MAIN SUPPLIER OR LEAD NEGOTIATOR. AND THE POINT IS OF GREAT IMPORTANCE ALSO IN TERMS OF GOODS WE DO NOT NOW PRODUCE BUT MAY PRODUCE IN FUTURE. THIS MORE OR LESS ACROSS-THE-BOARD APPROACH MEANT FOR INSTANCE THAT, IN THE ABSENCE OF CONSCIOUS DECISIONS TO DO EITHER MORE OR LESS THAN CALLED FOR UNDER THE FORMULA, THE EC WOULD REDUCE RATES OF 7 PERCENT AND 10 PERCENT TO 4.9 PERCENT AND 6.2 PERCENT, RESPECTIVELY. AND JAPAN AND THE USA WOULD CUT THEIR CURRENT RATES OF 7.5 PERCENT AND 12.5 PERCENT TO 4.2 PERCENT AND 6.6 PERCENT, RESPECTIVELY.

IN EUROPE, SUCH "FORMULA" REDUCTIONS WILL BE IMPORTANT TO CANADIAN EXPORTERS OF SPORTING GOODS, FABRICATED ASBESTOS PRODUCTS, PLANED LUMBER AND CERTAIN GEOLOGICAL AND OTHER INSTRUMENTS. AS FOR JAPAN, "FORMULA" CUTS ARE AVAILABLE ON PRE-FABRICATED HOUSING AND PARTS, A RANGE OF CHEMICALS (INCLUDING METHANOL, PHENOL AND SOME PLASTIC RESINS) AS WELL AS ON SEMI-FABRICATED METAL PRODUCTS. AND IN THE USA, SIGNIFICANT "FORMULA" CUTS WILL BE OF PARTICULAR BENEFIT TO CANADIAN