

industrialized countries. Such a differential is not inappropriate when the size of the Canadian market relative to that of the United States, the European Community and Japan is considered.

While tariffs naturally attract a great deal of attention, the advances made in the MTN on non-tariff barriers may prove over the longer term to have been equally if not more important. The new codes, with their dispute settlement procedures, should provide more security of access to foreign markets, a "fairer" and more open environment and more discipline and certainty in the world trading framework. As one example, the United States has agreed that, as is now the case for Canada and other countries, it will be necessary in the future for "material injury" to domestic producers to be demonstrated when countervailing duties are to be applied.

The non-tariff agreements reached cover subsidies and countervailing duties, anti-dumping duties, customs valuation, government procurement, technical barriers to trade (product standards) and import licensing procedures. Acceptance of the new codes on countervailing and anti-dumping duties will provide the opportunity for more timely and effective action to deal with unfair and injurious imports. At the same time the provisions of these codes will protect Canadian exporters from arbitrary action against them by our trading partners in the application of such duties.

The Government will be providing an opportunity for all interested parties in Canada to comment and provide advice on the desirable changes in Canadian laws concerning countervail, anti-dumping and customs valuation. As to valuation, it should be noted that Canada's willingness to apply the international code has been made conditional on others accepting that we can delay its application for four years and be free to offset any significant losses of protection which a switch to the new system might involve for some Canadian producers.

As you are aware, in the preparations for and during the MTN, provincial governments and private sector interests - industry, labour, producer and consumer groups - were actively and closely involved. Ambassador Warren tells me that these inputs were particularly valuable and valued by our negotiators.

I take this opportunity on behalf of the Government to thank all those who gave their views and advice and wish to place on record this Government's determination to maintain and further develop the consultative process in bringing forward the policies necessary to ensure the sound evolution of our agricultural, fisheries and industrial production and trade.

Priority must now shift to ensuring that the MTN commitments are fully implemented. In the Fall, when Parliament has been convened the Minister of Finance will be taking necessary action to permit commencement of the implementation of Canadian tariff concessions on January 1 next.