

Agreed Letters

The three letters set out understandings reached between the governments during the course of the negotiations on matters that require attention before the agreement enters into force. The first letter reconfirms the understanding on a standstill between October 4, 1987 and the entry into force of the agreement on actions not in keeping with the spirit of the agreement. The second ensures that in case either government fails to implement the Harmonized System (the system by which goods are classified and upon which the tariff cuts are based) before the entry force of the Agreement, that the tariff reductions would still occur under the existing classification system. The third deals with the evaluation of American plywood standards for use in housing financed by Canada Mortgage and Housing Corporation. It links tariff reductions for plywood to the outcome of the CMHC assessment.