

## Provincial Sensitivities

### Agriculture

o Manitoba's food processing industry has been concerned that with the removal of tariffs on finished food products, they will not be competitive because their input costs are higher than U.S. input costs.

#### Response

Canadian food processors will be provided with the means to obtain competitively priced inputs through administrative changes to poultry import quotas and the continued operation of the supplementary import permit system.

On November 6, 1987, the Minister of State for Grains and Oilseeds, the Honourable Charles Mayer, announced the government's intention to change the two-priced wheat policy. The policy will be altered in such a way that farmers will continue to receive support while processors will continue to be able to compete in both domestic and international markets as various provisions of the agreement come into effect.

o The horticulture sector, because of the seasonal nature of their products, has been very concerned about the removal of tariffs.

#### Response

Special protection for fresh fruit and vegetable producers was negotiated to allow for a 20-year period for the temporary reimposition of the current tariff for any fresh fruit and vegetable when import prices are depressed below a trigger level.

This one exception to the 10 year period for tariff elimination will give Manitoba producers extra time to adjust to a more open trading environment.

### Transportation

o Manitoba truckers are very concerned about the impact of the free trade agreement upon their sector.

#### Response

Transportation services have been exempted from the services code of the agreement and therefore the trucking industry will not be affected.