

all industrial products traded between the EC and EFTA countries were eliminated.

Non-tariff Measures

In some sectors, non-tariff measures (NTMs) as defined in a GATT sense are quite widespread in the EC in some sectors but less so in the minerals and metals sector, especially in the unprocessed forms. The EC has a number of tariff quotas for certain mineral products, and in the past ten years or so, Canadian steel product exporters have encountered problems in obtaining import permits authorized under the Davignon Plan. Perhaps the most serious NTMs to emerge in recent years centre on health, safety, environmental, and marketing and use regulations, such as those for asbestos. Certain measures adopted by the EC in the purported interest of protecting workers and consumers have emerged as barriers to trade.

Subsidies

The EC's common agricultural policy with its inherent producer subsidies and export restitutions has received a great deal of attention in recent trade negotiations, but subsidy practices in the EC are also quite widespread in various industrial sectors. In fact, on an international product price basis, perhaps the highest levels of subsidization in the world are found in the EC's coal and steel sector. For example, in Belgium (albeit a small producer) Member State aids for domestic coal production in 1987 exceeded world prices by 5-6 fold. In West Germany, which ranks as a large coal producer, the degree of subsidization exceeds 100 percent.

The problem of Member State aids became a very contentious issue during the early 1980s when the Commission of the EC tried to restructure and rationalize the aging steel industry centered in its industrial heartland, stretching from northern France eastward into West Germany, and in certain parts of Italy and the United Kingdom.

Member State subsidies have also been extended to other industries, such as aluminum smelting and tin mining.

Monopolies and Restrictive Trade Practices

Over the years, European industries had a history of monopolies, market management, controls and other forms of restrictive trade practices. State ownership and its alleged inherent subsidization has also been quite commonplace. The