

The problem of determining the domestic content of goods entering Canada from Mexico via the United States existed prior to the negotiation of the FTA, but there have been fears that lower tariff barriers between Canada and the United States will exacerbate the difficulties. Uncertainty in this area cannot be dispelled until there has been enough actual experience with the operation and use of rules of origin procedures and certificates to determine if there are ways in which goods produced in Maquiladora operations can be imported through the United States into Canada duty free. A determined effort will be made to keep this situation under surveillance and to report the evidence as it is collected.