acquire or increase its share in the new EC market.

If the firm's product is already in place in one of the national markets and is performing well (e.g., the offal market), Europe 1992 does not present a very great risk. The firm should keep its eyes open to adjust to new policies and watch for new niches in markets it is currently exploiting. If, on the other hand, the firm's product is in an already extremely competitive market (seed potatoes, semen and animal embryo, pork products), Europe 1992 is likely to make it very difficult for the firm to maintain its market share. The firm may have to authorize significant investments not only to satisfy the new norms, but also mainly to reduce production costs to the level of its new European rivals. If the firm has already begun such an operation in order to adjust to the new conditions of free trade with the U.S., it is probably already a few laps ahead of its European competitors; if not, the firm will have to make such adjustments as soon as possible.

If a firm wishing to take advantage of the new market is not currently in this market (which is the case for most Canadian firms), it should quickly take several preliminary steps. First, in the current conditions, the country and market niche where the firm's product(s) has (have) the greatest potential should be identified. Second, norms and standards currently in effect in this country should be verified and changes which will be brought about by the new EC policies analysed. The third step is to take advantage of the surge of concentration to identify a partner who is already preparing to acquire a good European distribution network, or at least to identify a good sales agent.

These are "preliminary steps" not only in the sense that they are necessary for a firm to become properly established in this market, but especially in the sense that there is every interest in taking such steps before 1992.

5.2 Objective: Maintaining and Increasing One's Share of the Canadian and Other Markets

A major and expected effect of Europe 1992 is the enhancement of European firms' capacity to compete, primarily on the European market, but also on the Canadian and eventually Canada's traditional export markets.

A primary countermeasure in response to this new situation, one used constantly in the past, would be to protect the Canadian market by tariffs or other measures. The survey of Canadian firms conducted for this study found that several still believe in such measures (not only small- and medium-size firms but some larger ones as well), but that the majority feel such measures are outdated. Overall, however, with only about two or three exceptions, they feel the best countermeasure is to augment Canada's own competitive capacities. They believe that it is very important to have movement towards concentration here, increasing utilization of new production technologies, and a greater R&D effort. Most firms, moreover, feel that it is important and urgent to adopt international norms and standards where applicable. In fact -- and this opinion comes out strongly in the survey -- if Canadian firms can adapt well to the new market situation produced by free trade with the U.S., this is proof that they can effectively resist the effects of Europe 1992 in Canada's market and in markets outside Canada (La Fédérée, Les Viandes Olympia, A. Lassonde et Fils).