

The Aircraft Agreement, which provides for the total elimination, effective January 1, 1980, of tariffs on all civil aircraft, their engines, spares, in-flight avionics, ground flight simulators and repair and overhaul services, in addition to ensuring stricter discipline regarding non-tariff measures in this area, is a particularly significant result of the negotiations. It is a first in the history of post-war multilateral trade policy in that total duty-free entry in an important industrial sector will be introduced simultaneously in the United States, the EEC, Japan, Canada and several other West European countries. Substantial benefits should accrue to Canada and Quebec because of the many companies in the sector which are located here and have a firmly established export market interest.

I have already alluded to the formula which aimed essentially at an average weighted cut of 40% for industrial products. It is worth recording that, in effect, for both exports and imports, the outcome of the negotiations for Canada is of this order of magnitude. It is not clear that Canada could have gone farther, in view of our desire to maintain an adequate level of tariff protection for Canadian industry, particularly in the more sensitive and less competitive sectors internationally. It goes without saying that Canada was not the only country wishing to protect such vulnerable sectors as textiles, clothing and footwear. It is nonetheless