

Government policy and direction of the negotiations were coordinated through a special Committee of the Cabinet, chaired by the Deputy Prime Minister.

All provincial governments participated in preparations for the negotiations and, through a continuing series of consultations contributed to the development of specific Canadian objectives and negotiating positions. The Canadian Government also held extensive and frequent consultations - on a scale unequalled in any previous round of trade negotiations - with all private sector interests - industry, agriculture, fisheries, as well as business, labour and consumer groups. These consultations were largely carried out through the Canadian Trade and Tariffs Committee, the Office of the Canadian Coordinator for the Multilateral Trade Negotiations and, on occasion, the Canadian delegation in Geneva.

### Industrial Products

Very important concessions have been made by our principal trading partners. In the case of industrial products, tariff reductions on Canadian exports to the United States, the European Community and Japan taken together will average close to 40 percent. The average reduction in the Canadian tariff will be comparable.

It is anticipated that as a general rule the agreed reductions in tariffs will take place in 8 annual steps beginning on January 1, 1980. Once these reductions are fully implemented, tariffs on most manufactured goods in the EEC and Japan will be in the order of 5 to 7 percent, while materials will, with some exceptions, enter these markets free of duty or at low rates. For the United States, the average tariffs on manufactured goods will be in the area of 4 percent, although some products such as certain chemicals, textiles and footwear will continue to enter at high rates; for the most part, materials will be free or the tariffs will be at very low levels. Of particular importance for Canada, a substantial number of U.S. tariffs covering an important proportion of Canadian exports will be eliminated. Overall, well over 90 percent of current Canadian exports will enter at tariffs of 5 percent or less and close to 80 percent will be duty free, taking account of trade under the Automotive Agreement.

In the case of Canadian tariffs, the average rate on industrial imports will be reduced to 9 percent with higher rates for a number of products. Most industrial raw materials will continue to be free of duty. Like other participants, Canada has made no reductions - or comparatively small reductions - in the level of the Canadian tariffs on such items as textiles, clothing, footwear and ships.

The United States, Canada, Japan, the EEC and certain other countries have reached a special agreement providing for the removal of tariffs on civil aircraft, engines, component parts, airborne avionics and certain related equipment. These tariffs will be eliminated on January 1, 1980. The agreement also deals with important non-tariff measures which affect aircraft trade and production.