

STATEMENT BY THE CANADIAN DELEGATION

REGARDING THE CANADA-UNITED STATES FREE TRADE AGREEMENT

-THE GOVERNMENT OF CANADA WISHES TO CONFIRM TO THE CONTRACTING PARTIES THAT IT AND THE GOVERNMENT OF THE UNITED STATES HAVE FORMED A FREE TRADE AREA. THE FORMAL NOTIFICATION TO THIS EFFECT IS CONTAINED IN DOCUMENT L/6464 OF JANUARY 26, 1989.

-DETAILED INFORMATION, INCLUDING THE CANADIAN TARIFF SCHEDULES FOR IMPLEMENTATION OF THE AGREEMENT'S TARIFF CUTS, AS WELL AS COPIES OF CANADA'S DOMESTIC IMPLEMENTING LEGISLATION AND CONSEQUENT AMENDMENTS TO EXISTING REGULATIONS, HAS ALREADY BEEN DEPOSITED WITH THE SECRETARIAT.

-CANADA SUPPORTS THE FORMATION OF A WORKING PARTY TO EXAMINE THIS AGREEMENT AND WILL COOPERATE FULLY WITH THIS WORKING PARTY DURING ITS EXAMINATION.

-MR. CHAIRMAN, CANADA AND THE USA ARE PARTNERS IN THE LARGEST TWO-WAY TRADING RELATIONSHIP IN THE WORLD.

-THE CANADA-UNITED STATES FREE TRADE AGREEMENT WAS SIGNED BY PRIME MINISTER MULRONEY AND PRESIDENT REAGAN ON JANUARY 2, 1988. THE GATT WAS ADVISED OF THIS SIGNATURE AT THE FEBRUARY 2, 1988 COUNCIL MEETING.

-FOLLOWING COMPLETION OF THE NECESSARY DOMESTIC LEGAL PROCEDURES IN BOTH COUNTRIES, THE AGREEMENT ENTERED INTO FORCE ON JANUARY 1 THIS YEAR.

-WHILE THIS AGREEMENT WILL SERVE TO FACILITATE TRADE BETWEEN THE TWO COUNTRIES BY ELIMINATING ALL DUTIES AND REDUCING OR ELIMINATING OTHER RESTRICTIVE TRADE BARRIERS, WE ANTICIPATE ITS IMPLEMENTATION WILL LEAD TO THE EXPANSION OF THE NATIONAL ECONOMIES OF BOTH COUNTRIES AND SHOULD STIMULATE DEMAND FOR PRODUCTS FROM SOURCES BOTH WITHIN AND OUTSIDE THE FREE TRADE AREA. THE AGREEMENT WILL BE TRADE CREATING RATHER THAN TRADE DIVERTING. IT DOES NOT CREATE NEW BARRIERS TO OUR TRADE WITH OTHER COUNTRIES.

-THIS AGREEMENT IS A CONCRETE MANIFESTATION OF THE COMMITMENT OF BOTH COUNTRIES TO GENERAL TRADE LIBERALIZATION AND WILL, WE HOPE, SERVE AS A CATALYST FOR THE TREATMENT OF A RANGE OF ISSUES IN THE URUGUAY ROUND.

-LET ME NOW, MR. CHAIRMAN, HIGHLIGHT THE SCOPE AND CONTENT OF THIS HISTORIC AGREEMENT.

-CANADA AND THE USA WILL ELIMINATE ALL TARIFFS ON EACH OTHER'S GOODS BY JANUARY 1, 1998. A VARIETY OF OTHER REGULATIONS OF COMMERCE WILL ALSO BE LIBERALIZED OR REMOVED.