

Mr. McDermid said the Government recognized that many Canadian companies prefer to maintain the current tariff phase-out schedule under the FTA.

"Accordingly, the Government will not reconsider earlier requests that met with opposition from Canadian producers, unless it is demonstrated that circumstances have changed," he said.

"Furthermore, all applicants requesting accelerated tariff elimination will be asked to provide evidence of support in the Canadian industry sector concerned."

The Canada-U.S. Free Trade Agreement provides for the elimination, by January 1, 1998, of all tariffs on Canadian and U.S. goods traded between the two countries. Under the Agreement, tariffs were either removed at the time of implementation of the FTA or were scheduled to be phased-out in 5 or 10 equal annual stages. Round III will address only those products subject to the 10-year phase-out schedule.

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