

preparing for a new round of multilateral trade negotiations in the General Agreement on Tariffs and Trade.

Canada-US study

The announcement in the House of Commons followed a six-month study by International Trade Minister James Kelleher and Clayton Yeutter, in which they examined ways to reduce trade barriers between the two countries.

Mr. Kelleher's report, which was delivered to the prime minister on September 17, concludes that the time has come to explore with the United States "the scope and prospects for a new trade agreement".

In a separate statement, Mr. Kelleher said the government's decision to seek trade negotiations does not mean it is committed to concluding a trade agreement. "Ultimately, the judgment will have to be made whether the outcome of negotiations represents a deal that serves the interest of all Canadians and stimulates growth in all regions," he said.

Important objectives

The statement maintains that Canada's negotiating objectives are to install a trade and investment climate that would provide:

- security of access to the US market, particularly by reducing the risks inherent in the US system of restrictive trade measures and the constitutional powers of the Congress to pass protectionist legislation affecting Canada;

- expanded access to the US market in order to provide Canadian industry with a market large enough to realize economies

Major 1984 Canadian exports and imports with US

	Exports to US		Imports from US	
	Value (\$000 000)	per cent of total	Value (\$000 000)	per cent of total
Automotive products	28 748	97.8	22 939	86.7
Forest products	11 239	74.2		
Petroleum & natural gas	8 261	99.8		
Fabricated metal products	7 607	80.5		
Chemicals & chemical products	3 481	65.7	4 071	78.1
Computers			3 752	91.4
Agriculture & food	3 444	31.8	3 178	53.8
Telecommunications & office equipment	2 687	72.1		
Industrial machinery	2 118	74.5	2 878	71.9
All other items	15 182	53.3		
Totals	82 796	75.6	68 450	71.5

of scale and specialization, and to carve out niches for specialty products;

- a stable North American trading system which would encourage a transition in Canada towards an economy more competitive at home and in world markets, and provide increased incentive for investment from all sources; and
- an ordered and more predictable system for managing the trade relationship and resolving disputes.

Provincial consultations

Both Mr. Mulroney and Mr. Kelleher indicated that consultations in Canada will be held on an ongoing basis with all the provincial premiers as the talks progress.

The prime minister said the issue would be raised with the premiers at the first

ministers' conference on the economy to be held in Halifax in November and, if possible, he would arrange a debate on trade in the House of Commons. He added that Mr. Kelleher is creating a new consultative arrangement with business, labour and other groups.

1984 trade partners

	Exports	Imports
	(percentage)	
United States	75.6	71.5
Europe	9.5	10.8
Asia (except Middle East)	8.8	10.8
Rest of the world	6.1	6.9

Tanzanian leader visits

Prime Minister Brian Mulroney and International Trade Minister James Kelleher met with one of Africa's most influential statesmen, President Julius Nyerere of Tanzania, during his two-day official visit to Canada late in September.

At the conclusion of the visit the prime minister said that he had begun "an excellent dialogue" with President Nyerere on how Canada can "be more helpful, in tandem with the Commonwealth countries", in forcing South Africa to abandon its *apartheid* laws. He noted the steps Canada had taken recently to protest *apartheid*, including a voluntary ban on new bank loans and oil sales to South Africa and the appointment of an administrator to monitor compliance with the government's voluntary code of conduct for companies doing business in South Africa. Mr. Mulroney also announced that he



Prime Minister Brian Mulroney discussed bilateral issues with Tanzanian President Julius Nyerere during his visit to Canada.

had appointed a personal emissary to Africa, Bernard Wood, director of the North-South Institute, to confer with the heads of four Commonwealth governments. They will discuss measures that could be taken to force an end to *apartheid* in South Africa and to force that country to recognize the independence of Namibia.

Trade and development

Bilateral issues including trade and development assistance were also discussed during the visit. Canada has been a major contributor of development aid to Tanzania, giving about \$318 million since 1961.

Trade between the two countries is relatively small. Last year Canada exported \$17.1 million worth of goods, primarily measuring and laboratory equipment, communications equipment and medical and pharmaceutical products. Imports from Tanzania were worth \$4.2 million.