

News Release

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SUPPORT LEVELS AGREED TO UNDER CANADA-U.S.

FREE TRADE AGREEMENT

OTTAWA, June 6, 1989 -- Canada and the United States have reached agreement on support levels for wheat, barley and oats in each country, International Trade Minister John Crosbie said today.

Discussions between the countries were held pursuant to implementation of Article 705 of the Canada-U.S. Free Trade Agreement (FTA).

Under the agreement, Canadian import licences for wheat, barley, oats and their products from the U.S. are to be removed if U.S. government support levels for each grain are equal to or less than Canadian government support levels. The formula takes into account direct and indirect support.

Based on calculations exchanged between the two countries Canadian import permits for oats and oat products no longer will be required, effective immediately. Import licences will still be required for U.S. wheat and barley entering Canada because levels of government support for these grains are higher in the U.S. than in Canada. (SEE ATTACHED BACKGROUNDER)

"Under the agreement, Canada will be able to maintain its high standards of quality control for oats," said Mr. Crosbie. "Any shipments of U.S. oats will be managed in the Canadian marketing system through end-use certificates, denaturing and seed certificates."

Effective immediately, U.S. oats entering Canada for processing must be accompanied by end-use certificates issued by the Canadian Grain Commission (CGC). These certificates keep shipments of U.S. oats out of country elevators by stipulating that shipments must be used at the facility to which they are sent.

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