

The importance of this offer has to be seen in perspective, since almost 70 per cent of developing-countries exports to Canada are already duty-free. The offer will further substantially improve this situation by adding more than 300 tariff items on the duty-free list and by extending more than 50 percent tariff reductions on about 100 more items.

This preference offer does not impose any quantitative limits on preferential imports. We have put it as a first step toward liberalizing tariff treatment for developing countries. Further reductions will be considered in the light of experience.

The extension of the British preferential rates -- except in a few cases of particular interest to the West Indies, e.g. bananas, rum, citrus fruit -- to all developing countries entitled to MFN treatment in Canada is an additional step forward in line with our general trade policy of non-discrimination.

How does Canada's tariff-preference offer compare with that of other countries? Let's have a look at some of the main features of other offers.

The U.S.A. has offered duty-free treatment but has excluded most textiles, footwear, and petroleum products. Our approach is much more selective and is based on the injury conception. It is still possible that preferential treatment will be denied in the U.S.A. to developing countries extending preferential access to countries of the Commonwealth or the EEC unless these are gradually phased out.

The EEC has also offered duty-free treatment but has put quantitative ceilings on the volume of preferential imports. Japan has adopted a similar approach.

Canada has no quantitative ceiling. So we think we have a good liberal offer.

#### D) Non-tariff barriers

In a world where tariffs have gradually come down, non-tariff barriers (e.g. export subsidies, government purchasing, standards, valuation procedures, quantitative restrictions) have become relatively more important. The GATT work program designed to identify these problems and to prepare the way for their future multilateral negotiations could also bring substantial direct benefits to the developing countries. We have been actively campaigning for rapid progress in this area.

#### E) Freeing of trade by sectors of industry

In the GATT, Canada has also proposed that further trade liberalization on a multilateral basis be explored through sectoral negotiations. This approach for freeing trade with respect to tariffs and non-tariff barriers, and covering both primary, semi-processed and manufactured forms of production within the same sector, is particularly appropriate at a time when developing countries are endeavouring to export more of their primary industrial materials