

This is the second round of tariff elimination negotiations undertaken by the two countries at industry request, as allowed under Article 401.5 of the FTA.

The tariff reductions were introduced on a provisional basis in order to meet the target implementation date that had been established by the two governments. The formal approval process on each side will be completed later in July, at which time final enactment of the amendments to the two countries' tariff schedules will be completed.

Mr. Wilson pointed out that total two-way trade with the U.S. amounted to \$202 billion last year and that Canada's trade surplus reached \$17.3 billion, up from \$13.6 billion in 1988, the year before the FTA was enacted.

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