

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 064

April 2, 1990.

FREE TRADE AGREEMENT ACCELERATED TARIFF ELIMINATION

International Trade Minister John C. Crosbie today confirmed that U.S. and Canadian tariffs on a wide range of goods traded between the two countries are being eliminated or further reduced under the Free Trade Agreement. The tariff reductions, which result from the domestic and bilateral consultations held last year on accelerated tariff elimination under the FTA, were implemented provisionally on April 1 by both governments.

Minister Crosbie stated that the implementation of the tariff cuts is concrete evidence of the trade liberalizing benefits that the FTA offers to Canadian industry. He said, "These tariffs are being removed at the request of and with full support from Canadian businessmen and women who are anxious to take advantage of trade liberalization under the FTA."

The elimination of tariffs will increase Canadian exports to the U.S. market and will reduce costs for Canadian firms that buy manufacturing inputs from the United States. "Both ways, the competitiveness of Canadian industry will be enhanced", the Minister said.

The package being implemented includes over 400 tariff items on each side covering approximately \$6 billion in two-way trade in 1989. In particular, U.S. tariffs are being eliminated on many goods that are of significant interest to Canadian exporters, including telecommunications equipment, photographic film, aluminium products, printed circuits and diesel locomotives.

As indicated, the tariff reductions have been 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 the month, at which time final enactment of the amendments to the two countries' tariff schedules will be completed.