

A second round of accelerated tariff elimination consultations has begun, and a substantial number of proposals for additional earlier tariff elimination have been received by both governments. As with the previous round, both Canada and the United States will proceed only on those items that enjoy broad industry acceptance.

Mr. Crosbie and Ambassador Hills cited progress made in several areas since their last Commission meeting in November 1989:

- The Binational Committee on Plywood Standards has developed recommendations for a performance based standard for plywood.
- The Services Working Group has been established to monitor implementation of the agreement and to consider, in consultation with the industry, the expansion and further liberalization of trade in services.
- Agreement has been reached on a bilateral process to respond effectively to issues arising in the rules of origin area, and the United States has agreed to extend the validity period of blanket Exporters' Certificates of Origin from six to twelve months, a change the Canadian Government sought on behalf of Canadian exporters.

Mr. Crosbie and Ambassador Hills also discussed outstanding trade irritants between the two countries, including the lobster and beer issues, but they stressed that these did not affect the overall positive nature of the Canada - U.S. relationship.

The handful of disputes between the United States and Canada represent a very small portion of a very large and mutually beneficial trading relationship, the trade officials said.

The wide ranging discussions at the Commission meeting also covered expanding trade with Mexico and mutual objectives in the Uruguay Round of the Multilateral Trade Negotiations (MTN) ongoing in Geneva. Mr. Crosbie and Ambassador Hills committed to continue close consultation on both issues and stressed that they must work together to urge their trading partners to a successful conclusion of the Uruguay Round.