

Non-ferrous Metals: It was not possible to achieve fully the Canadian objective of eliminating or substantially reducing the U.S. tariff over the whole range of non-ferrous metals and related semi-fabricated products. Nevertheless substantial progress was made in reducing tariff escalation on more highly processed products.

The most significant non-ferrous metals concession for Canada is the elimination of the U.S. 1¢/lb duty on aluminum ingot. In addition, there will be substantial reductions in U.S. tariffs on aluminum and other non-ferrous semi-manufactures. Rates in this area, affecting such products as pipes and tubes, bars, rods, plates and sheets, will drop from a range of 7 - 11 percent to one of 4 - 7 percent. The United States is also reducing from 20 to 8 percent its tariff on unwrought magnesium.

Wire and cable, whether or not insulated, of copper and aluminum has been identified as an area where additional upgrading of a traditional primary product export may be possible. In 1976, Canada exported \$7 million of insulated copper wire to the United States. A tariff reduction from 8.5 to 5.3 percent should encourage the further development of such exports. U.S. tariffs on non-insulated copper wire will fall from about 7 to 4 percent; on insulated aluminum wire from 7.5 to 4.9 percent; and on non-insulated aluminum wire from 6 to 4.2 percent. These tariff reductions should encourage new exports and represent a positive factor in terms of possible investment in new production facilities.

The negotiations in this area were affected by the decision taken by the United States in accordance with its GATT rights, to convert from specific duties on copper, lead and other products to ad valorem duties. In a time of rising prices such a change to ad valorem can result in higher duties being paid. The U.S. conversion rates are lower than might otherwise have been the case since they were undertaken within the context of the MTN.

Iron and Steel: The principal Canadian export market for these products is the United States. The industry will benefit from some reductions of U.S. tariffs on carbon steel products from present levels of between 2.5 and 12 percent to a range of from 2 to 8 percent. The United States has import quotas on specialty steels and, in general, was unwilling to offer tariff concessions in this field.

Non-metallic Minerals: The United States will make important tariff reductions in this sector. The U.S. tariffs on most asbestos products will be eliminated, which should encourage further processing of asbestos prior to export. The U.S. tariff on float glass will be reduced to approximate parity with the Canadian level. The U.S. tariff on most glass containers will be eliminated. Gypsum wallboard products will benefit from a 60 percent reduction in the U.S. tariff (to 2.4 percent from 6 percent). The tariff on sandpaper will be moderately reduced (3 to 2.5 percent).