

The Secretary of State for External Affairs, the Honourable Mitchell Sharp, announced today that Canada, along with the other developed countries who are members of the OECD and New Zealand, today submitted to UNCTAD firm offers of tariff preferences for developing countries. The Canadian offer is substantially the same as the provisional offer submitted last November, which was outlined by the Honourable C.M. Drury in the House of Commons on November 14, 1969. Its main features are:

- 1) duty-free entry for imports from developing countries of a wide range of manufactured and semi-manufactured goods which at present are duty-free only if imported from countries entitled to the British Preferential Tariff;
- 2) tariff reductions amounting to at least one-third of the Most-Favoured-Nation Tariff rates on most other manufactured and semi-manufactured goods originating in developing countries;
- 3) tariff reductions of varying magnitude, in many cases complete removal of the tariff, on a selected list of agricultural products of special interest to developing countries;
- 4) no quantitative limitations on imports of goods eligible for preferences;
- 5) goods which have not been wholly produced in a developing country would still qualify for preferences if a substantial percentage of the value of the goods was attributable to the industry of a developing country. Provided other preference-giving countries are prepared to adopt similar rules of origin, Canada would treat as "local content" the value of processing performed in any developing country instead of just that performed in the country of export.

The Canadian offer, like those of other prospective preference-giving countries, also provides for safeguard procedures under which the preferences could be withdrawn from particular products if imports of those products caused or threatened to cause market disruption or serious injury to domestic producers. In the case of Canada, application of this clause at the beginning of the preference scheme will mean that a limited number of sensitive products - mainly textile products for which Canada has requested or negotiated export