

THE CANADIAN PROPOSAL HAS BEEN WARMLY WELCOMED BY PRESIDENT REAGAN. THE BALL IS NOW IN YOUR COURT IN TERMS OF THE DOMESTIC PROCEDURES WHICH HAVE TO BE FOLLOWED IN THIS COUNTRY BEFORE NEGOTIATIONS CAN BEGIN IN A FORMAL SENSE. SOME THREE WEEKS AGO, IN CALGARY, SECRETARY SHULTZ REAFFIRMED THE POSITIVE RESPONSE OF THE ADMINISTRATION TO OUR PROPOSAL AND INDICATED TO ME THAT THE UNITED STATES SHOULD BE READY TO BEGIN EARLY IN 1986.

THE PRIME MINISTER HAS APPOINTED A DISTINGUISHED AND HIGHLY EXPERIENCED CANADIAN, MR. SIMON REISMAN, TO SPEARHEAD THE CANADIAN EFFORT. HE WILL BE WORKING CLOSELY WITH THE CANADIAN PROVINCES AND CONSULTING WITH BUSINESS, LABOUR AND ALL INTERESTED CANADIANS TO MAKE SURE THAT WE ARE FULLY PREPARED FOR THESE NEGOTIATIONS.

WHAT WOULD BE INVOLVED IN NEGOTIATIONS?

FOR OUR PART, WE ARE PREPARED TO EXAMINE THE BROADEST POSSIBLE PACKAGE OF REDUCTIONS OF TARIFF AND NON-TARIFF BARRIERS, AND WE RECOGNIZE THAT ANY DEAL WOULD HAVE TO BE MUTUALLY BENEFICIAL.

WE WANT THE UNITED STATES TO RESPOND TO OUR CONCERNS ABOUT THE PROTECTIONIST EFFECT ON CANADIAN EXPORTS AND JOBS OF YOUR TRADE REMEDY LEGISLATION; ABOUT OUR DESIRE TO COMPETE