

in both the minimum and maximum price for No. 1 Northern (Manitoba 1) over the current IWA price range which expires on July 31.

CANADIAN EXPORTS

For Canada, the achievements of the Kennedy Round will mean easier access to markets abroad for the goods it already exports. They will also open up important new opportunities where Canada is not yet a competitive world supplier. In the area of secondary manufactures, where the opportunities for rationalization and specialization may be open to Canadian producers only if export markets are readily available, the fact that the average level of tariffs for manufactured goods in such markets as the United States and the EEC will be below 10 per cent when the results of the Kennedy Round are implemented will be particularly important.

In current trade terms, including wheat, over \$3-billion worth of Canadian exports stand to benefit from the negotiations. The scope of the agreement is such that producers and exporters in all regions of the country and in nearly all industries, whether they be in agriculture, fisheries, forest products, mining or manufacturing, should be able to benefit from the improved trading opportunities that will be available.

UNITED STATES

Canada's most important negotiations in the Kennedy Round were with the United States. The United States will make tariff reductions, or eliminate duties, on \$1.92 billion of Canadian exports in 1966 terms.

The United States will be eliminating duties which are now 5 per cent or less on \$557.6 million of Canadian exports. Of this amount, \$387.1 million is in the lumber and paper sector, \$91.5 million in fisheries products, \$28.6 million in agriculture, and \$50.4 million in other products.

The categories affected are agriculture, fisheries, forestry, wood manufactures, paper, chemicals, iron and steel, textiles, non-metallic minerals, other metals and manufactured goods.

United States tariffs on a further \$1,060 million of Canadian trade will be reduced by 50 per cent. Smaller reductions apply to \$298.3 million. In addition, and not included in the figure of total reductions above, the United States has confirmed the present temporary free entry for nickel (\$175.5 million) and has made 50 per cent reductions in the legal tariff rates on \$105.6-million worth of Canadian exports now entering the United States free of duty under temporary rate suspensions. (The most important item in this category is copper, amounting to \$86.5 million.)

The United States has also bound free items under which Canadian exports were worth \$45.8 million. Free entry for these products had previously been unbound.

EEC COUNTRIES

In addition to wheat, covered by the agreement on cereals, Canadian exports of which in 1966 totalled \$144 million, the results of the Kennedy Round will

include tariff reductions in the EEC for many products of interest to Canadian exporters. In 1966 terms, some \$160-million worth of Canadian exports will be subject to reductions averaging about 30 per cent of present levels. Reductions of 50 per cent apply to \$37 million of this total, with smaller reductions applicable to the balance.

The categories affected are agriculture and fisheries, forest products, iron and steel, textiles and furs, chemicals, non-ferrous metals and metal products and manufactured goods.

BRITAIN

In earlier GATT negotiations and in the Kennedy Round it was accepted that the main purpose was to reduce barriers to trade through reductions in the levels of most-favoured-nation tariffs, and that in this process there would be some erosion of the various preferential tariff systems applicable among several groups of countries in the GATT.

During the Kennedy Round, Britain and Canada maintained close consultation on matters of mutual concern.

About 95 per cent of Canadian exports to Britain enter free of duty. The terms of entry for these products will not be changed by the Kennedy Round. For those on which preferential protective duties apply, Britain will be making proportionate reductions.

Some 60 per cent of Canadian exports to Britain enter free of duty from all countries, both preferential and most-favoured-nation suppliers. For these products, the relative terms of entry remain unchanged. In addition, the EFTA countries, which are important suppliers to the British market in certain sectors, (for example, forest products, of particular interest to Canada) already have free entry into Britain for industrial products.

Britain will be making reductions, generally 50 per cent, on the MFN duties applicable to much of the remaining trade. In a few cases, the MFN rates will be eliminated: soya beans 5 per cent, and rough lumber less than 1 per cent. However, for most items of Canadian trade interest now subject to MFN duties, significant preferences for Canadian products will remain.

JAPAN

The principal Canadian export interest in Japan is wheat, which accounted for \$90 million out of total dutiable Canadian exports of \$177 million. Japan has agreed to the memorandum of agreement on cereals negotiated in the Kennedy Round.

In other dutiable products, Japan will be making reductions affecting exports from Canada in 1966 of about \$35 million.

Because it did not join the GATT until 1955, Japan has had fewer tariff items bound in its GATT schedule than other major trading countries. The effect of Japanese participation in the Kennedy Round will be that a large proportion of Japanese tariff rates will now be bound. In implementing the Kennedy Round results, Japan will also be binding free entry for a large number of items currently free but unbound. Canadian trade in these items is about \$55 million.