

GOVERNMENT



# PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS

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The Department of External Affairs announced today that Canadian exporters, importers and manufacturers are invited to provide certain information immediately relating to a possible round of tariff negotiations under the General Agreement on Tariffs and Trade.

Last month the United States Congress gave the President new, although limited, powers to negotiate reductions in tariffs on a reciprocal basis, and hence another general round of negotiations with other GATT countries can be anticipated. Such negotiations would be carried on, as in the past, between pairs of countries on a product-by-product basis. The resulting reductions and bindings would be extended to all GATT countries.

Government departments in Ottawa are now making preparations for any such negotiations. In order to aid these preparations Canadian business firms and organizations interested in trade with the various member countries of the General Agreement on Tariffs and Trade are, as on previous occasions, invited to submit representations.

Representations dealing with tariffs of countries other than Canada should be addressed to the International Trade Relations Branch of the Department of Trade and Commerce. A number of major trading countries are expected to participate in the negotiations and a complete list of the countries with which Canada expects to negotiate will be announced in due course.

In relation to the United tariff, Canadian businessmen seeking reductions are asked to submit initial lists of the products with which they are concerned to the International Trade Relations Branch of the Department of Trade and Commerce by August 15th, at the latest. This will facilitate early investigation by government officials of the possibilities of obtaining tariff concessions from the United States on these products.

Briefs containing arguments for reductions in the tariffs of the United States, together with supporting information, may be sent to that Department later but preferably by September 15th. It is important, however, that the Government be made aware by August 15th, at the latest, of the lists of products on which Canadian businessmen wish the United States tariff reduced.

The United States authority to reduce rates will be limited by certain provisions of the Trade Agreements Extension Act of 1955. This Act empowers the President, beginning July 1, 1955, to make reductions of not more than 15 per cent of the rates prevailing on January 1, 1955. Reductions must be spread over three years and the maximum reduction in any one year is limited to 5 per cent. The President is also authorized to decrease certain rates now above 50% to an ad valorem duty of 50%; not more than one-third of the total reduction in such cases is to be made effective in any one year. The President's authority to negotiate reductions is further subject to limitation by the so-called "peril points" procedure.

Representations dealing with possible reductions in the Canadian Tariff should be addressed to the Tariff Section of the International Economic Relations Division, Department of Finance. Canadian businessmen are invited to submit representations indicating which reductions in the Canadian tariff may be desirable and which ones may be undesirable. These representations should be submitted not later than September 15th.

A number of briefs dealing with the Canadian tariff have been received by the Department of Finance in recent months. These briefs are now being studied, and any supplementary information that may be submitted at this time will be taken fully into consideration.

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