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CANADA CALLS FOR SUBSTANTIAL CUTS IN GLOBAL TARIFFS AND NON-TARIFF BARRIERS

International Trade Minister John C. Crosbie and Finance Minister Michael Wilson today announced that Canada has tabled in Geneva a proposal for the reduction of tariffs and non-tariff barriers in the Multilateral Trade Negotiations under the General Agreement on Tariffs and Trade (GATT). The proposal was developed following consultations with the private sector and provincial governments.

"Canada has proposed an integrated approach which attacks both the non-tariff barriers and the tariffs that inhibit Canadian exports to world markets," Mr. Crosbie said.

Mr. Crosbie emphasized that improved terms of access to foreign markets will be of particular benefit to Canadian resource-based industries, including fisheries, metals and minerals, forest products, petrochemicals and agriculture.

"Canada's proposal builds on the consensus reached by Ministers in Montreal last December during the mid-term review of the Uruguay Round, calling for a one-third reduction in global tariffs. We're proposing to achieve that goal through a combination of both a tariff formula and bilateral 'request and offer' negotiations," Mr. Crosbie said.

Mr. Wilson said: "Canada's approach should provide common ground for the major participants in the negotiations, and should help lead to substantial, reciprocal and balanced benefits for Canadian industries. We are fully committed to global trade liberalization because it will help Canadian industry to be more internationally competitive and able to grow."

The Ministers said that a freer world trading environment will help Canada capitalize on its enhanced competitiveness arising from the Canada-U.S. Free Trade Agreement. In particular, Canada is seeking improved access to markets in Europe, Japan and the Newly Industrialized Countries in the Pacific and Latin America. In those markets, Canada faces an array of trade barriers, including restrictive government procurement practices.

Mr. Crosbie recalled that in the Free Trade negotiations, Canada and the U.S. agreed to pursue the question of liberalization of government procurement in the Uruguay Round.

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By early next year, Canada and other countries participating in the GATT negotiations are expected to table their offers for reducing specific trade barriers as well as possible total or partial exceptions to the general approach to the objectives agreed to in Montreal.

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