



## News Release

## Communiqué

No. 171

July 30, 1991

### INDUSTRY AND INTERNATIONAL TRADE MINISTER WILSON CALLS FOR TRADE BARRIER REDUCTION PROPOSALS

The Honourable Michael H. Wilson, Minister of Industry, Science and Technology and Minister for International Trade, called today for written submissions from producers, exporters, importers and other interested Canadians outlining their specific interests in market access for goods and services under the proposed North American Free Trade Agreement (NAFTA).

The governments of Canada, the United States and Mexico have agreed to work toward the elimination of existing trade barriers on all goods of North American origin. It is expected that some barriers will be reduced immediately when NAFTA becomes law, while others will be phased out gradually over a period of years, as was the case in the Canada-U.S. Free Trade Agreement (FTA).

The Government is inviting the submissions to identify areas where Canada should press for quick elimination of tariffs between Canada and Mexico. As well, the Government wants advice on removal of Mexican and United States non-tariff barriers to trade in goods and services. The Government also wants to hear of areas where Canadian producers may wish time to adjust to free trade under a NAFTA.

As negotiators for the three countries are now discussing various tariff phase-out options, the submissions should be received in Ottawa as soon as possible and no later than September 15, 1991.

Mr. Wilson said the Government seeks all relevant information to formulate as clear a picture as possible of the specific trade interests that can be promoted in these negotiations. "We want all interested Canadians, including business, labour and other groups, to have the opportunity to give the Government the benefit of their experience and interest in international trade."

In addition to the advice offered in written submissions, the Government is working closely with the provinces, and it is further seeking the views of the private sector through the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs).

The Minister said the trade barrier reductions under NAFTA are part of the Government's drive to increase Canada's economic competitiveness. "Canada must continually seek to increase its competitiveness to ensure a modern and prosperous economy.

"Guaranteed access to larger markets and removal of trade barriers strengthen Canadian competitiveness. We achieved these objectives with the FTA, and it is what we are working toward in the current multilateral trade negotiations (MTN) and the negotiations for NAFTA.

"Canadian businesses that are more competitive in North America will be able to meet competition worldwide," Mr. Wilson said.

Submissions on trade barrier reductions should be made to:

Office for Trilateral Trade Negotiations  
External Affairs and International Trade Canada  
C-3, Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, Ontario K1A 0G2  
Fax: (613) 992-4695

Further information on making submissions is included in the attached annex.

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For further information, media representatives may contact:

Media Relations Office  
External Affairs and International Trade Canada  
(613) 995-1874

## ANNEX

In February 1991, the Prime Minister of Canada, the Right Honourable Brian Mulroney, the President of the United States, George Bush and the President of the United States of Mexico, Carlos Salinas de Gortari, announced their intention to negotiate a North American Free Trade Agreement (NAFTA) to create the world's largest free trade market. Negotiations began in June 1991 with the first meeting of the Ministers of International Trade of the three countries concerned, at which they agreed, among other things, to work toward the elimination of tariff and non-tariff barriers currently applied to goods produced in their countries. Negotiations are under way to establish the most effective means of eliminating these barriers. Canadian companies or producers who already export or import, or are interested in doing so, have a direct stake in NAFTA's outcome. To ensure that the Government is better able to serve these interests, views are being invited from the public on the pace at which the trade barriers in question should be eliminated.

We have already sought the advice of the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs). These groups, which provide advice on major trade issues such as the Uruguay Round negotiations under the General Agreement on Tariffs and Trade (GATT) and the Canada-U.S. Free Trade Agreement (FTA), will seek to provide, by the end of the summer, the detailed views of the private sector on specific market access issues related to North American trilateral trade. The federal government is also consulting closely with the provincial and territorial governments. Interested parties that have already communicated their views to these bodies do not need to make a separate submission to the Government unless they so desire.

Submissions should be as specific as possible concerning the products of export interest to the United States and Mexico (including the classification number under the Harmonized System where available); they should also identify, where relevant, the current barriers (tariffs, non-tariff barriers) that impede access to Canadian exports of manufactured and resource-based products, as well as agriculture and food products. Examples of non-tariff barriers are quantitative limits or import quotas, import licensing arrangements, discriminatory government

purchasing practices and other government measures that restrict or prohibit trade. It should be noted that, in light of the FTA, Canada's access to the U.S. market has largely been addressed. However, certain non-tariff measures such as government purchasing practices are also covered by NAFTA negotiations and representations on these or other measures would be welcomed.

We would also appreciate receiving your recommendations as to the time frame for gradually eliminating various tariffs (longer periods for so-called sensitive items, such as 10 years, and shorter periods -- 5 years, for example -- or immediately for those with high export potential). Finally, you may also wish to comment on the elimination of certain rates of duty that Canada applies under the Customs Tariff or on other measures that serve to protect the Canadian production of goods. Such comments should outline the probable effect of such reductions in terms that are as specific as possible.

Canadian negotiators in the services area would be greatly assisted through the receipt of additional information regarding the export interests of Canadian services exporters, particularly in the areas of business services, professional services, transportation services and telecommunications. Submissions should also note particular difficulties encountered in the export of such services such as licensing or residency requirements. In preparing their submissions, service and other exporters might wish to map out their requirements with respect to the temporary entry of persons. The provisions of Chapter 15 of the FTA regarding temporary entry for business might serve as a useful point of departure.

Additional information would also be very helpful, including your current production and export figures for the products concerned, the number of people employed by your company, and other relevant information.

Please indicate whether any information is confidential.

For further information, contact:

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Office for Trilateral Trade Negotiations  
External Affairs and International Trade Canada  
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125 Sussex Drive  
Ottawa, Ontario K1A 0G2  
Tel: (613) 992-7259  
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