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# news release

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For release

## FREE TRADE AGREEMENT - ACCELERATED TARIFF ELIMINATION

International Trade Minister John C. Crosbie and Finance Minister Michael Wilson today announced procedures for public comment on proposals that have been put forward for the second round of accelerated tariff elimination under the Free Trade Agreement. The complete list of proposals for early removal of tariffs and the procedures for public comment will be published in the Canada Gazette, Part I, dated October 6, 1990.

"The first round of early tariff cuts was a success, and has helped open many doors to Canada-U.S. Trade," Mr. Crosbie said. "Through an exhaustive consultative process, followed by discussions between Canada and the U.S., we were able to eliminate tariffs covering \$6 billion in bilateral trade."

Mr. Wilson added, "The Government is again initiating thorough consultations to seek the views of domestic industry and other interested parties on the desirability of earlier tariff elimination on the items contained in this second list of requests."

The Ministers emphasized that, as in the first round, the government intends to pursue in subsequent consultations with the United States only those proposals that are in the national interest and enjoy broad support in the industry sector concerned.

They also emphasized that the government is not reconsidering requests that were examined in the first round unless the applicant has demonstrated that circumstances in the industry have substantially changed.

The government will consult closely with the private sector International Trade Advisory Committee (ITAC), the Sectoral Advisory Groups on International Trade (SAGITs), industry associations and labour organizations. Canadian companies are encouraged to work with their industry associations. In addition, any interested party may submit written comments on the merits of particular requests.

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Procedures for submitting comments are also set out in the Canada Gazette Notice. Copies of the Gazette can be purchased from the Government Printing Centre, Department of Supply and Services, Ottawa, Ontario, ((819) 997-2560), or from bookstores selling government publications.

Upon completion of these domestic consultations, proposals that enjoy broad industry support will be subject to consultations between the two governments. The target date for implementing agreed changes to the respective tariff schedules is July 1, 1991.

The FTA provides for the elimination of all tariffs on Canadian and U.S. goods by 1998. For some categories of goods, tariffs disappeared when the Agreement came into force on January 1, 1989. For others, tariffs are scheduled to be phased out gradually in five or 10 equal annual stages. The FTA also provides for accelerated elimination of duties on particular items in the FTA tariff schedules, subject to consultation between the two governments. The results of the first round of accelerated tariff elimination were implemented on April 1, 1990.

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