

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED  
MTN.SB/W/6  
26 June 1989  
Special Distribution

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Surveillance Body

Original: English

COMMUNICATION FROM CANADA

The following communication has been received from the delegation of Canada on 23 June 1989 with the request that it be circulated to participants of the Surveillance Body.

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CONCLUSIONS OF CONSIDERATION OF DEVELOPMENTS RELATED TO  
STANDSTILL AND ROLLBACK COMMITMENT OF PDE DECLARATION

Canada has participated fully in the process of notification, consultation, discussion and review related to the standstill and rollback commitments of the Punta del Este Declaration. In general, contracting parties have viewed seriously their obligations in this regard and have engaged specific issues as they have arisen, notwithstanding real difficulties in defining GATT inconsistency and other genuine procedural problems. This has helped to strengthen the broad consensus against protectionism and the introduction of new trade restrictive measures. It is Canada's view that continued attention in this area is necessary for final success in the Uruguay Round.

For its part, Canada has undertaken a number of trade liberalization measures, consistent with its own continuing commitment to the success of the Uruguay Round. Among these are the following:

A. Elimination of the Two Price System on Wheat:

Effective August 1, 1988, the selling price of wheat in Canada has been based on the North American market. Under previous arrangements, in place since 1967, separate domestic pricing policies had served to protect Canadian farmers against low world prices.

B. Tariff Relief in the Textile and Apparel Industries:

On March 22, 1988, the Minister of Finance announced a three part programme of tariff relief for the textile and clothing industries.

The first part introduced six duty remission programmes.

The second part included tariff reductions on thirteen specialty yarns and fabrics. Effective September 1988, tariffs were eliminated on five specialty fabrics. The remaining reductions will be implemented shortly with retroactive effect to January 1, 1989.

Under the third part, the Canadian International Trade Tribunal (an independent review body) has been asked to recommend, by December 31, 1989, a ten year plan under which Canada's textile tariffs can be reduced. It is the Government's intention to make a first round of textile tariff cuts in April 1990. The Tribunal has recently commenced public hearings in this regard.

C. Elimination of Footwear Quotas:

Article XIX quotas on the importation of ladies' and girls' footwear were eliminated effective November 30, 1988. That step removed the last remaining footwear import quotas in Canada.

D. Elimination of Discrimination Against Imported Alcoholic Beverages:

On January 1, 1989, provincial liquor boards began implementing the Canada/EC liquor board agreement, thus removing, according to specified schedules, discriminatory markups on spirits and wine as well as other practices and policies affecting imported alcoholic beverages that were inconsistent with the GATT. The provisions of the agreement regarding pricing, listing and distribution of EC products are being implemented on an MFN basis.

E. Removal of GATT Inconsistent Restrictions on the Export of West Coast Salmon and Herring:

On April 25, 1989, the Government removed GATT-inconsistent export restrictions on salmon and herring caught in Canadian West Coast waters. New fisheries regulations have been introduced for conservation and management objectives.

F. Unilateral Tariff Reductions:

The Minister of Finance, in connection with the presentation of his budget in April 1989, proposed to remove duties effective April 28, 1989, on about \$11 million worth of imports of time recorders, vessels for scrapping, and checking fixtures imported temporarily for manufacturing automotive production equipment. The legislation is now being considered by the Canadian Parliament.