

excluding wheat exports of \$144,000,000 covered by the new agreement on cereals. Of the non-wheat exports, 50-p.c. reductions will apply to \$37,000,000 worth of Canadian exports, and smaller reductions to the remaining \$123,000,000.

In the agriculture and fisheries groups, Canadian exports worth about \$22,000,000 (excluding wheat) will benefit by varying rates of reduction. Several important agricultural exports to EEC countries, notably oil seeds, already enjoy duty-free entry. In lumber, pulp and newsprint products, the most important reduction by the EEC is in non-newsprint paper (\$9,000,000 in 1966). The reduction in duty on wood pulp will amount to 50 p.c. in addition to the current duty-free annual quota of 1,900,000 metric tons. An annual duty-free quota of 625,000 metric tons will be introduced for newsprint where the rate will continue to be 7 p.c. for exports in excess of quota.

Some \$5,000,000 of iron and steel exports will benefit from slight reductions in tariffs, mainly pig iron, hot-rolled steel rods, structural shapes and sheet piling, and sheets and strips. Canadian textile exports worth \$3,000,000 will receive more than 30-p.c. reductions in EEC tariffs, mainly synthetic fibres, wool papermakers' felts, and mixed fabrics. Dressed furs and fur apparel, valued at \$2,400,000, will enjoy an almost 50-p.c. reduction. Chemicals, valued at \$11,000,000 in 1966, will be affected by an unconditional 20-p.c. reduction in duties and an additional 30-p.c. reduction if the United States abolishes its ASP system of valuation.

In the non-ferrous metals and metal products group, while the EEC made no tariff concession on aluminum from the present rate of 9 p.c., it agreed to establish a bound 5-p.c. annual tariff quota of 130,000 metric tons. There will be reductions of about 20 p.c. on the main semi-fabricated aluminum products (\$1,200,000) and similar reductions in duties on copper bars, rods and other shapes. Duty on magnesium (\$1,200,000) will be reduced from 10 to 8 p.c. and on nickel anodes from 5 to 4 p.c.

Canadian exports of manufactured goods to the EEC, about \$54,000,000 in 1966, are small but growing. Tariffs in this sector will be reduced in general by 50 p.c. to a range of 5 to 8 p.c., benefiting particularly a variety of machinery products such as excavating, agricultural, printing, textile and pulp and paper machinery, electrical equipment and parts including parts of communications equipment, electric wire resistors and spark plugs, ground flying trainers, aircraft equipment and parts. Reductions in the case of computers and card punching machines, radar equipment and chain saws will be smaller.

**Tariff Reductions by Japan.\***—The most prominent export item in trade with Japan is wheat which amounted to \$90,000,000 of the total dutiable Canadian exports of \$177,000,000 in 1966. Japan is a party to the memorandum of agreement on cereals. Other exports (\$35,000,000) on which Japan has agreed to reduce duties at varying rates include aluminum, copper waste and scrap, newsprint, liquefied petroleum gases, beef tallow and salmon roe. There will be a 50-p.c. reduction in duties on a variety of fully manufactured goods. In addition, a large proportion of Japanese tariff rates will now be bound.

**Major Concessions by Nordic Countries.**—The four Nordic countries (Norway, Sweden, Finland and Denmark) which negotiated as a unit at the Kennedy Round, are, along with Switzerland, regarded as low-tariff countries. Tariff reductions offered by them will benefit Canadian exports, worth about \$13,000,000 in 1966. Over half of the \$31,000,000 exports to Switzerland will be similarly benefited by Swiss reductions. In some cases (wood pulp), Canadian producers will now be able to compete more effectively with the EFTA countries.

\* The figures in this section, in Canadian dollars, are based on Japanese imports from Canada in 1966. Source: *Foreign Trade*, July 1, 1967, Department of Trade and Commerce, Ottawa.