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Statement by the Honourable Miss Pat Carney Minister for International Trade

I am honoured to address this Session of the CONTRACTING PARTIES, marking the 40th anniversary of the General Agreement on Tariffs and Trade (GATT). And I bring greetings from Simon Reisman, my compatriot and GATT founding father who greatly regretted having to miss this occasion.

Canada is among the top seven world traders. We live on trade. Thirty per cent of our national income comes from trade. The jobs of a quarter of our work force depend on trade. To grow and prosper, Canada has no choice but to look outward. It was therefore natural for Canada to be a founding member of the GATT.

In the past few weeks, the world's two largest trading partners have initialled a major free trade agreement. Some may now ask how deep is Canada's commitment to the GATT and to the Uruguay Round.

The answer, is "very deep". The GATT was and is the cornerstone of Canadian trade policy. I reaffirm the commitment Canada has repeatedly made to the multilateral trading system - and to its further liberalization and strengthening through the MTN.

A reinforced GATT and successful MTN are essential to global economic health. Canada has trade interests around the world and all our bilateral relationships would be hurt if the GATT and the MTN were to collapse. The GATT remains the bulwark of all contracting parties, notably including the smaller ones.

Our Government's trade policy is, therefore, to pursue outward-looking liberalization and growth along two important tracks, intended to build bridges, not barriers. These tracks are both multilaterally with our partners in the GATT, and bilaterally with the United States.

Our agreement with the United States is fully consistent with the GATT. Indeed, its close linkage with the GATT is clearly set out in the first article of the text. The agreement also deals with several of the new issues - services and trade-related investment measures.

At the same time, global interdependence is today's reality - a reality brought sharply into focus by the volatility of world stock markets

and exchange rates in recent weeks, coming on top of the pressing debt problems facing many countries represented here. As governments, we must be under no illusion; we must deal effectively with this wide range of inter-related issues.

Interdependence requires co-operative bridge building. This is a message that Canadians deliver in many foras, including the recent Francophonie and Commonwealth Summits in Canada, and soon at the Economic Summit we will host next year.

Forty-five Commonwealth leaders representing a broad range of developed and developing countries agreed in their Vancouver Declaration on Trade that in the Uruguay Round "we will work for a balanced outcome to develop a more open, viable and durable multilateral trading system to promote growth and development".

This 40th anniversary Session of the CONTRACTING PARTIES also marks the end of the first year of the Uruguay Round. The work of the negotiating groups here in Geneva reflects the spirit of last year's historic Punta del Este Declaration. We have not done badly.

But we must do more. The realities of today's market place and the demands of growth and development require that we press on with determination. We must indeed demonstrate progress, to still the sceptics and to assure traders and investors that governments are serious about tackling protectionism and liberalizing trade.

I would like to outline briefly Canada's priorities in the Uruguay Round under five headings.

First, strengthening the GATT system. Exceptions and deviations to GATT rules have proliferated over the years. We need to strengthen the rule of law. We need to transform the GATT from an organization that administers an international trade agreement to a more active policy oriented institution. The GATT must strengthen its linkages with the IMF and the IBRD. Ministers have a special rôle to play in moving the GATT in these directions.

Second, developing new rules and better access for agricultural trade. The Uruguay Round must achieve basic reform of trade distorting agricultural policies. Agricultural subsidies and trade barriers damage agriculture producers in all countries. None of us can afford their spiralling cost.

Canada is deeply committed to progress in this area. As an active member of the Cairns Group and host of the Ministerial meeting last May, we fully support the Group's proposal recently submitted. And we have contributed a proposal of our own elaborating our ideas in a number of important respects.

Third, improving and securing market access. These issues have been the key element of GATT negotiations over the past forty years and

represent a major objective in this Round. Canada wholeheartedly supports, and is committed to contribute to, maximum trade liberalization through improved market access for all types of goods, from natural resource-based products to high technology. To ensure that concessions today are not lost tomorrow, we must also provide that security of access is strengthened.

Fourth, the new issues. Canada believes that for the multilateral trading system to remain vital and relevant, it must have the ability to resolve the trade issues of tomorrow. Problems related to trade in services, and the trade-related aspects of intellectual property and investment measures are creating tensions in the world trading system. The Uruguay Round needs to find ways to resolve these issues multilaterally and increase the flow of such trade to our mutual benefit.

Fifth, the greater participation and integration of developing countries into the GATT. Canada is committed to working with developing countries in this Round to ensure that the results include those issues of importance to them. Clearly, at the same time it is essential that each country, particularly the newly industrializing countries, become more fully integrated into the multilateral trading system and take on appropriate obligations for its effective operation.

We also recognize that in order to participate fully in the Uruguay Round some developing countries need assistance of various kinds. Canada has already taken initiatives to achieve this objective through, for example, the financing of the GATT trade policy course in Canada and through bilateral efforts with developing countries. We are now proposing to expand this work in co-operation with other countries and through international organizations.

We have set a heavy agenda for ourselves, but no heavier than international economic circumstances require. Canada believes it will be essential to take stock of developments in the negotiations, to note progress and to provide the impetus for the concluding phase of the Round. Such a ministerial review might best be held by the Trade Negotiations Committee toward the end of next year. Ministers are currently discussing this idea.

I wish to state that Canada would be pleased to host such a meeting.

But whatever may be the collective wish in that regard, I renew Canada's pledge to full and active co-operation in our common endeavour to renew and rebuild, to construct a more open, a more secure, a more mutually beneficial multilateral trading system.