

GENERAL AGREEMENT ON

TARIFFS AND TRADE

SR.44/ST/5

18 November 1988

Limited Distribution

CONTRACTING PARTIES
Forty-Fourth Session

Original: English

CANADA

Statement by H.E. Mr. John M. Weekes Ambassador, Permanent Representative

We are at an important point in the development of the world trading system - halfway through the most important round since the GATT was founded. In many ways the future of the multilateral trading system depends on our success in coming to grips with the key problems facing the system. But the future of the trading system does not depend on the Multilateral Trade Negotiations (MTN) alone. It also depends on how we, contracting parties, manage the current GATT and our respect for the obligations of GATT.

Our review of developments since the last Session, including those related to the Uruguay Round, leads us to make the following observations.

There have been some positive trends in world merchandise trade. There has also been some abatement in the threat of protectionism, although this is certainly not to say that there have been no cases of protectionist actions during the past year. On balance, however, we believe the atmosphere in which we are operating to be positive, with the large majority of participants committed to a significant result. We cannot afford to be complacent one month before the Ministerial meeting in Montreal.

Clearly further work and effort is needed now and, of course, after Montreal, if we are to achieve a result which meets the objectives of the world trading community. Serious problems in the world - many structural in nature - still exist. (One need only recall the nervousness which exists on world markets every time the latest United States trade figures are about to be released.) Clearly, public confidence in the economic situation is tenuous at best.

The increased inter-relationship of trade, financial and monetary issues, debt and the growing interdependence of national economies presents new challenges across the whole range of issues covered by GATT and the Uruguay Round. The representative of Peru was correct to bring these issues to our attention, although I do not share aspects of his analysis and prescription.

Our work in the GATT Council over the past year provides a good reflection of some of the issues which need to be addressed. For example,

the proliferation of dispute settlement cases and the procedural debates which have ensued point clearly to the need to improve the dispute settlement procedures in the context of the Round. Likewise, the subjects of particular disputes point to the need for increased GATT disciplines in a wide range of areas, including agriculture, subsidies, quantitative restrictions and others. The Uruguay Round is clearly not being carried out in a vacuum. The relationship between ongoing GATT work and the MTN is closer than in any previous round.

A key development in the trading system since the last session was the signing of the Canada - United States Free-Trade Agreement. This agreement is a major trade liberalizing initiative and an example of how two governments have addressed the trade policy agenda in a positive and constructive fashion.

Other major developments included, of course, the passage of the United States Omnibus Trade and Competitiveness Act, progress in planning for the establishment by 1992 of a single market in the European Economic Community and the undertaking by a number of countries, including an important number of developing countries, of unilateral trade liberalization measures which have been notified to the GATT.

The interdependence of all these issues has never been more evident. There is a strong current of economic reform in the world which we must translate into unstoppable momentum in the Uruguay Round. We are encouraged by the commitment to a successful outcome to the MTN by the end of 1990, and look forward to continuing to work closely with all participants to reach this objective.