

GENERAL AGREEMENT ON TARIFFS AND TRADE

MIN(86)/ST/10
16 September 1986
Special Distribution

Original: English/
French

CANADA: STATEMENT AT THE MEETING OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

May I begin by expressing Canada's pleasure at your selection to preside over this Ministerial session - the most important in the history of the GATT. Through you, we convey our appreciation to your President and people, who have welcomed us so warmly, and arranged so effectively to help us carry out our work.

The CONTRACTING PARTIES do not meet often at ministerial level. This is the first such meeting in a developing country. The new trade round will move us forward into the 1990s and the new century - and it is fitting that, as we write the rules for the growth we all need, and the social justice which growth can bring, we begin here. I welcome and endorse the suggestion of Minister Kuranari of Japan that we name this the Uruguay Round.

We have important work to do, and little time this week to do it. Before we leave, we must achieve a clean launch of a new round of multilateral trade negotiations that is both comprehensive and ambitious.

We should learn from history. The four decades before the GATT was born were marked by turmoil ... built barriers; sank into the great depression, and ended in war. Both necessity and vision then combined so the world could grow together. We were all enlarged by the creation of the United Nations, Bretton Woods institutions, and the GATT. One result was a dramatic increase in world trade, and therefore in human opportunity.

In the forty years since that creative burst of confidence, we have put those achievements at risk by taking them for granted. Countries which, forty years ago, put the world ahead of narrow interests, now regularly apply protective trade measures outside GATT disciplines. The rules point one way, and the governments go another. And that is true of all of us. The challenge here is not to assign blame, but to accept responsibility, because the chaos that came before GATT could come again - and that would threaten every country, every family, every future. This is the week for decision. This is the place - and we are the people who have the opportunity, and the duty, to rebuild a trading system which we have let erode.

When Ministers last met to discuss trade issues, the world economy was in the midst of its deepest recession in the post-war period. The recovery since has been real, but clearly uneven. In most countries, but particularly in the developing world, progress has been achieved through

difficult sacrifices, we must ensure collectively that these hard-won gains are not threatened by the persisting and massive global imbalances.

We must preserve those hard-won gains, and make more progress against the massive and persisting global imbalances. The issues are related - debt, development, policy co-ordination, trade. We need more effective co-operation among the institutions which deal with them - the IMF, the World Bank, the GATT. We need evidence of national restraint, so that unilateral action does not distort the recovery even further. But most of all, we need to move from talk to action. To address all issues together is to risk resolving none of them. Trade is the key to many doors - to easing the debt; to spurring development; to creating growth. Those doors are closing now, unless we turn the key of trade.

All of us have particular objectives for the New Round. Canada depends for over 30 per cent of our GNP on exports of goods and services. For us, external markets are essential to every farm and industry and occupation. In there, these GATT rules are as important to us as the rules of our own Constitution.

Canadians need to:

- stop protectionism, and roll it back;
- improve access to foreign markets, particularly in natural resources and services;
- reform the rules for agricultural trade;
- increase the discipline of GATT, the settlement of disputes and surveillance;
- strengthen the GATT as an institution, with greater Ministerial involvement;
- foster adjustment to structural change; and keep this trading system up to date, by addressing such issues as trade in services;
- tighten disciplines on the use of contingency protection.

Let me speak for a moment about agriculture. For too long, GATT has had the bad habit of putting agriculture to one side, and we now reap the consequences. We are all aware of the high cost and havoc of current agricultural policies and practices. The time has passed for papering over these problems. This conference must agree to address the real problems of agricultural trade, and to get the negotiations under way quickly. We must be ready to engage in substantive negotiations by the end of this year. In no other sector is there such an urgent need to achieve an early result.

Of course we are here this week to start a process, not complete one. The negotiating comes next. First, we must agree on a joint Declaration to let that work begin. The need to start is urgent. Each of us can cite compelling proof - at home and internationally - of the damage being done or threatened by a GATT system that increasingly is honoured in the breach. We all have reasons to want the negotiations to succeed - although some countries, including Canada, seek that movement more urgently than others. Perhaps, as we begin, it is useful to ask: who among us would want this process to fail?

Who would want farmers and treasuries both to be broken down by the dumb weight of subsidy? Who would want the competition in services to be dominated by the unilateral decisions of powerful nations, rather than the common rules of us all? Who would want the grievous burden of debt to be aggravated by continued distortions of trade? Who would want to encourage the forces of narrow protectionism, already too strong in too many of our economies? No one wants that - yet that would be the clear result if we missed this moment. The choice is not between acting here or acting elsewhere. The choice is between acting now, or letting the world slide into dangerous decline.

Canada has worked with others to prepare the draft Declaration contained in W/47/Rev.2. We think it is the basis on which we should proceed. We pledge our active co-operation to achieve a clean launch of this Uruguayan Round of multilateral trade negotiations.

That text is the product of intensive negotiations among a large number of GATT members, both developed and developing, embracing a wide range of interests. We recognize that some important differences remain. However with wisdom and goodwill, plus a determination to succeed, we can certainly find the way. We need to measure the product of our efforts not against some ideal standard of perfection, but against the scale of the possible. If we unravel the text, we will slide backward.