

The Punta del Este meeting remains the best chance to make progress against this crippling cycle of subsidy and surplus. But this agricultural issue is so complex and intense that it may prevent agreement on starting a new round of multilateral trade negotiations. That would be tragic for everyone. It would be an invitation, and a justification, for all nations to step back from international cooperation, and indulge the worst excesses of protectionism. The international movement toward freer trade would be reversed, and nations like Canada, which rely on trade would see our problems multiply. So failure to act on agriculture could trigger a far wider failure in international trade and economics.

The world faces three options.

The ostrich approach is to bury our head in the sand and hope the problem goes away. That would be an abdication of responsibility, and an invitation to more subsidies or surpluses from groups with massive treasuries.

The second is to let the trade war continue until the U.S. and the Community realize that neither can win. By that time, most countries with smaller treasuries, or their producers, would be bankrupt. And the protectionism which arose in agriculture would result in retaliation in other fields, gradually tearing down the system which has given the world prosperity for half a century.

The Third option is to face the music - to tackle head on the subsidy and surplus problem.

That is the only option that makes sense to Canada.

I will be leading the Canadian delegation to Punta del Este. We are making it clear that agriculture is the top item on the Canadian agenda for the new round of Multilateral Trade Negotiations. We are mobilizing all our diplomatic and negotiating resources to try to get an agreement that will make progress in GATT against agricultural subsidy and surplus. Our plan and our challenge is to ensure that world public opinion recognizes what is at stake in these discussions.

However, the world cannot afford to wait for the results of GATT negotiations. The farming community cannot be allowed to be ravaged by the current crisis while the search for long-term solutions is conducted. We need action soon to begin to move toward a more reasonable environment.