

Last week, the Trade Negotiations Committee met in Geneva. It provided a good snapshot of where we are in the negotiations, and of how far we have still have to go. Everyone realizes that the next few months are critical. We share the concern expressed by the Director-General of the GATT in his summation of the meeting. There has been some progress, and some groups are working on the basis of fairly advanced texts, but on many issues, negotiators face the same fundamental differences that they have been wrestling with almost from the beginning of the round. There are only four months left, and there has to be a sustained, committed effort to find compromise and consensus if we are to reach the ambitious goals that we set in Punta del Este.

Let me highlight some of the problem areas, from a Canadian perspective.

To begin with, even the traditional issue of tariff negotiations is not progressing as it should owing to two basic factors: the poor quality of many tariff offers and the fact that some countries have extended the exclusion of agriculture to include fisheries and forest products. Also, trade in these natural resource products is of considerable interest to this group, and yet the negotiations have not been substantively engaged.

We, therefore, welcome the decision of the Trade Negotiations Committee to consolidate the groups dealing with different elements of market access and hope that this will lead to an intensification of the negotiations.

One of the key access issues of particular interest to this group concerns trade in textiles and clothing. Important differences remain on the modality to be used in bringing this trade back to GATT rules. Perhaps the way ahead at this stage is to return to discussions on the fundamental elements governing the transition period-elements such as safeguard mechanisms, coverage, growth, and flexibility.

Fundamental reform of agriculture is central to the success of the round but deep divisions remain, especially with regard to the prohibition of export subsidies. Canada has some concerns with elements of the paper recently tabled by the Chairman of the Agriculture Negotiating Group. We have made these clear in Geneva, but we stand by our commitment in Houston and welcome the decision of the TNC to accept the paper as a means to intensify the negotiations. A great deal of work remains to be done in this area.