

CANADA'S MOST IMPORTANT TRADE PACT

The following is part of a statement by the Minister of Trade and Commerce, Mr. Robert Winters, on the "Kennedy round" of trade negotiations, on May 15:

Basic agreement in the "Kennedy round" of trade negotiations among major trading countries has now been reached in Geneva....

From the Canadian point of view, concessions which have been negotiated in foreign markets represent the most important trade pact in this century and affect some billions of dollars of trade. From the world point of view, negotiations have achieved a most important advance in lowering tariff and other barriers to trade.

For example, in the U.S., tariffs have been reduced or completely eliminated on \$1 billion to \$1.5 billion of Canadian goods moving into that market. Also, the lowering of tariffs should make it possible to sell goods we have not previously been able to merchandise there. In this market we have gained markedly improved access over a very extensive range of products which will be of great benefit to our industry, our agriculture, and our fisheries, and to our industrial development generally. In addition to making substantial tariff reductions over many thousands of items, the U.S.A. has agreed to eliminate its tariffs on a large number of Canadian products. These tariff cuts will greatly enhance our export prospects. And I know that our exporters will take full advantage of all these possibilities which will become progressively available over a period of five years, starting January 1, 1968.

Reductions to be made in Canadian tariff as part of these reciprocal arrangements will be of benefit to Canadian consumers and to users of a wide variety of imported products. This will help reduce costs of production for our farms, fisheries, mines and industry, but, to make our way in a more competitive world, we shall have to be alert to opportunities that are presented....

WORLD WHEAT PRICES

While it is not yet possible to make public detailed results because not all GATT countries have, as yet had the opportunity of agreeing to them, I can say, with respect to wheat, that the basic elements of a new international wheat arrangement have been agreed between major exporting and importing countries. We have achieved a significant and welcome increase in international minimum and maximum prices for specified qualities of wheat, and substantially strengthened arrangements for co-operation to maintain market stability....

FOOD AID

Agreement has also been reached on a new food-aid programme, totalling some 13.5 million tons over three years, under which responsibility for providing food assistance to developing countries will be more equitably shared by the member countries of GATT. Canada's share in this programme is half a million tons a year. The fact that, for the first time, industrialized importing countries have agreed to co-operate with wheat-producing countries in this joint

programme represents a major achievement and an important forward step in international co-operation designed to help meet food needs of the developing world. Canada played a prominent role in the realization of this aim....

BENEFITS FOR ALL

Tariff cuts which have been secured from the United States, the EEC, Japan and other countries will confer benefits on all sectors and regions of our country. The degree to which this applies depends upon our diligence and skill in pursuing the opportunities they present.

Tariff reductions which Canada and other industrial countries are making will also be of benefit to developing countries of the world. A number of such countries have participated in these negotiations and have offered improved trading opportunities for Canada.

In agriculture, reductions which we have secured in foreign markets over a broad range of products will benefit farmers from coast to coast. Important tariff cuts have been made by other countries in respect of our exports of basic materials, metals and forest products. Major gains have been made through elimination and reduction of tariffs on fish and fisheries products.

Reductions which will be made in industrial tariffs of the U.S.A., the EEC and other countries, many on a uniform basis of 50 per cent, will help Canadians to increase both variety and volume of our exports to these markets. Improved access to foreign markets, which has been secured, should, through expanded exports, significantly help our manufacturers to achieve economies of scale and specialization which are so necessary to improving our efficiency productivity and competitive position.

ANTI-DUMPING CODE

A new anti-dumping code has been agreed by Canada and our major trading partners, designed to improve existing practices in world trade, while safeguarding legitimate interests of our domestic producers.

Benefits for Canada have been secured not only through bilateral negotiations with our most important trading partners, but also as a result of indirect benefits which will accrue to Canada from agreements which have been reached between other pairs and groups of countries participating in the "Kennedy round". This was an important factor in these successful multilateral negotiations.

Detailed elaboration of agreements which have been reached is now going forward; formal legal documents should be ready for signature before the end of June. Shortly thereafter it is planned that detailed results will be announced simultaneously by all participating countries.

Canada can take great satisfaction that success has crowned efforts which we and others have made over the last four years to conclude this largest-ever world trade negotiation started through the initiative and statesmanship of the late President Kennedy....