

If there is a key to growth and employment in the interdependent world of the late 20th century it rests with our collective ability to build a fundamentally open, rules-based global economy — the cornerstone of the new world order which we have all been seeking. The new World Trade Organization [WTO] has the potential to be just that — a powerful, independent body to guide the global trading system and to serve as a counter-weight to the pressures created by economic uncertainty and insecurity. Our challenge is to give this new body the credibility, legitimacy and purpose necessary to take us into the next century.

First, we all must commit ourselves to full and effective implementation of the Uruguay Round agreement so that its achievements can be put into force on January 1, 1995. This means that we must all conclude expeditiously domestic ratification procedures. For its part, the Canadian government intends, this year, to provide for Canada's membership in the World Trade Organization and to give full effect to the results of the negotiations. We urge our trading partners to resist strenuously domestic pressures for any change in trade legislation which would go beyond what is required to implement the new additional obligations, which could lead to the imposition of more, rather than fewer, barriers to trade.

We must also recognize that the WTO should not and cannot operate in isolation. The world is increasingly globalized with trade, capital and technology crossing borders 24 hours a day. Close co-operation among the Bretton Woods institutions, as called for in the final act of the WTO agreement, is essential to a more coherent approach to the world economy. To advance the objective of sustained global economic growth and employment, and to continue the momentum of trade and payments liberalization, ways must be designed to ensure further coherence in the work of the WTO, IMF [International Monetary Fund], World Bank and the OECD [Organization for Economic Co-operation and Development].

The OECD, for its part, is a valuable forum for analysis of the many issues that lie ahead as a result of rapid global economic integration and that might — in part or in whole — be placed on the WTO agenda.

The OECD has the capacity to help design what the international trade system might look like a decade or so hence.

For example, on trade and the environment, an area now on the agenda of the WTO and on which much useful work has already been done in both the OECD and in the GATT [General Agreement on Tariffs and Trade], we look forward to the joint experts' report next June. The OECD is also well placed to examine the emerging issue of trade and labour standards. Further liberalization of trade is critical to the longer-term growth of the global economy — a process that can only have a salutary effect on wages and employment. Yet globalization can also raise concerns about potential comparative advantages based upon lower labour