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CANADA ADJUSTS TO THE RESULTS OF THE KENNEDY ROUND

Statement by the Honourable Robert H. Winters,
Minister of Trade and Commerce, to the House of
Commons Committee on Finance, Trade and Economic
Affairs, Ottawa, January 17, 1968.

...The Minister of Finance, in his statement to you, outlined the Government's basic policy objectives in the Kennedy Round negotiations, with particular reference to the Canadian tariff. I visited Geneva on various occasions for the final and crucial phases of the negotiations and I am convinced that the results achieved will be of far-reaching and lasting benefit to Canada's export trade and to the Canadian economy. It is essential now for all the major trading countries to ensure that the concessions granted are fully and effectively implemented.

I know you will wish me to refer to the current situation in world trade as we move into the period of implementation of the Kennedy Round results. The first point to be emphasized is that temporary problems and difficulties, however critical and important they may be, should not be allowed to interfere with the basic direction of policy and the gains achieved in the Kennedy Round.

The extensive programme announced by the U.S. to deal with its current balance-of-payments situation is of major significance not only to the U.S. but also to Canada and other countries, since the strength and stability of the U.S. dollar is of fundamental importance to the trading world as a whole. In this connection, the U.S. Government has referred to problems created for them by the European border tax system, and to the possibility that the U.S. might need to consider legislative measures of their own. As Mr. Sharp has indicated, we are in close touch with the U.S. Government in this regard. In the event that the U.S. might find it necessary to act in this field for balance-of-payments reasons, it is clearly understood on both sides that Canada would have to adopt offsetting measures designed to maintain Canada's competitive trade position both at home and abroad.

If the U.S. did decide to take such trade measures on balance-of-payments ground -- which I hope they would avoid --, it would be important that this should clearly be seen in perspective, in the context of the current payments situation, and not as representing any basic alteration in overall trade policy objectives and commitments. I know that the U.S. Government are fully conscious of this point.