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THE OUTLOOK FOR TRADE POLICY

Text of an Address by the Honourable Mitchell Sharp,
Minister of Finance, to the Canadian Manufacturers
Association Annual Meeting, Toronto, May 29, 1967.

You may well wonder why a Canadian Minister of Finance would choose the topic of trade policy to speak on to this association of manufacturers. I have chosen this topic for a variety of reasons. First, the Minister of Finance in Canada, as in many other countries, is the minister with the prime responsibility for economic policy. In Canada, simply because we are a trading nation, trade policy is necessarily a major part of national economic policy. A Canadian Minister of Finance who ignored this fact would not last long. Second, as most of you know, the most important instrument with which the Government operates in the field of trade policy is the customs tariff. And since Confederation - which was based, in a fiscal sense, on the tariff of Alexander Galt - the setting of tariff rates has been the responsibility of the Minister of Finance. I have, therefore, concluded that you might find it useful if I gave some account of how this responsibility has been discharged in the important negotiations which concluded two weeks ago in Geneva, and of how I see that responsibility being served in the future, looking beyond the "Kennedy Round".

Of course, no minister needs any excuse to speak to the Canadian Manufacturers Association about trade policy. No association has a greater stake in Canada's trade - you number among your members some of our major importers - and it is on your shoulders, as manufacturers, that the responsibility lies to expand our exports of manufactured goods as the tariff cuts of the 'Kennedy Round' come into effect in the markets of our trading partners, and as we move into the trading world of the 1970s.

I'd like, therefore, to talk to you about the "Kennedy Round", and the role Canada has played, and then to suggest the problems that will come after the "Kennedy Round" and how we might go about dealing with them.

First, as to our role in the "Kennedy Round".

Three years ago, when these negotiations formally began, the Government formulated a clear line of policy. This policy was set out, in its most definitive form, in the budget speech of 1964. The Honourable Walter Gordon said (and I'd like to quote his words at some length):