

4. The main Canadian objectives in the Uruguay Round were outlined by Minister Crosbie as including a substantial reduction of barriers facing Canadian exports of goods and services, stronger and more predictable GATT trade rules, and the development of agreements on services trade and intellectual property, and improved GATT institutional arrangements. In respect of agriculture, three basic considerations governing Canada's position were outlined: all countries must contribute to an equitable solution; there must be a substantial and balanced reduction of trade distorting subsidies and import barriers; and successful negotiations must benefit both producers and consumers.

5. An unprecedented number of Canadian Ministers were fully involved in the management of the Montreal meeting and in pursuing our specific interests under the multilateral track of Canada's overall trade strategy. Ministers Mazankowski and Mayer focussed particularly on agriculture; Minister de Cotret on trade in services; and Minister Hockin on market access and institutional issues which were dealt with during the Montreal meeting by a group of some 22 MTN participants chaired by Minister Crosbie.

6. The United States seemed to have come to the Montreal Meeting determined not to compromise on its approach that long-term agricultural trade reform must be based on the objective of eventually eliminating all trade distorting and restrictive measures. The U.S.A. also held firm on intellectual property matters. Thus the outgoing Administration effectively left some hard choices to the Bush Administration taking office later this month. Public reaction in Washington since the meeting has put emphasis on the achievements at Montreal particularly on services, dispute settlement and tropical products. It has downplayed the intractability of the agricultural issue or the hard-line maintained by a few developing countries with respect to intellectual property and to textiles.

7. The European Community similarly maintained a position on agricultural trade liberalization that did not provide sufficient flexibility and boldness to allow the gap with the U.S.A. and the Cairns Group to be bridged. It consistently refused to regard as realistic the elimination of distorting subsidies as the long-term goal of agricultural trade reform. The EC also pressed the case for consensus with developing countries in planning further MTN steps. Ironically in the wake of Montreal, the EC's own globality principle put forward so fervently through the early course of the Uruguay Round should add pressure to resolve the agriculture impasse in order to allow other areas of the negotiations, such as services, to move forward on the basis of the provisionally-agreed negotiating