

July 11, 1979

MULTILATERAL TRADE NEGOTIATIONS

Notes for a Statement by Robert de Cotret

Minister of Economic Development and Trade

You have before you a copy of the Government's statement on the results of the Multilateral Trade Negotiations. As you know, these negotiations, formally launched with the 1973 Tokyo Declaration, were long and complicated - involved nearly 100 countries - and dealt with a broad range of non-tariff barriers and changes in trade rules, including those affecting the developing countries, as well as with the reduction or elimination of tariffs. The negotiations were the most ambitious attempted since the inception of the General Agreement on Tariffs and Trade (GATT) in 1948. They were substantially concluded in April.

It is well known that the negotiations were not made easier by the difficult economic circumstances which prevailed in most countries in recent years and which gave rise to pressures for trade restrictions. At the recently concluded Tokyo Summit Meeting the Prime Minister and other leaders stated their renewed "determination to fight protectionism", noted the agreements reached in the MTN as "an important achievement" and committed their governments to "early and faithful implementation" of the results.

There has already been a good deal of discussion in general terms about the MTN outcome. You have heard that the average depth of cuts in industrial tariffs world-wide is about 1/3 according to GATT calculations. You are aware that for Canada's industrial exports to its three largest trading partners tariff reductions will average nearly 40 percent and that we have agreed to cut previously negotiated Canadian tariff rates on industrial goods by about the same amount. Reference has been made to the fact that as a consequence of the negotiations the area of free trade with the United States will be significantly extended. It has been noted that over \$1 billion of our agricultural exports will benefit from MTN tariff concessions, and so on. This use of general and sectoral averages and of aggregates was understandable in the period before the detailed tariff results could be made known. Indeed broad indicators of this kind have been helpful in signalling the magnitude and character of the outcome of tariff bargaining.

But the information being released today provides details on the actual tariff rates on particular products. In the negotiations account was taken by our negotiators of regional and sectoral interests, user and consumer concerns and the employment opportunities for our labour force. So far as Canadian tariff concessions are concerned, exceptions were made, or only small reductions agreed, for such products as garments, textiles, footwear, rail cars and ships. Significant export opportunities, both actual and potential, are being opened up for Canadian producers, manufacturers, farmers and fishermen. Canada will have an average level of tariff protection for secondary manufactures significantly higher than that of the other