

TO PROTECT THEIR OWN MARKET IS NOT IN CANADA'S INTEREST. WE WANT TO SEE A SYSTEM WHICH REQUIRES EVERYONE TO FOLLOW THE SAME RULES AND WHICH WOULD ENSURE THAT CANADIAN EXPORTS WERE NOT ACTED AGAINST FRIVOLOUSLY OR UNNECESSARILY BY OUR PARTNERS. AT THE SAME TIME IT MUST ALLOW EMERGENCY ACTION WHEN IT IS FULLY JUSTIFIABLE.

3. THE DISPUTE SETTLEMENT SYSTEM IN THE GATT HAS COME UNDER INCREASING STRAIN AS TRADE DISPUTES HAVE MULTIPLIED OVER THE LAST FEW YEARS. THIS SYSTEM IS CRITICAL TO THE EFFECTIVE ENFORCEMENT OF GATT RIGHTS AND OBLIGATIONS. WE MUST RENEW OUR COMMITMENT TO MAKE IT WORK EFFECTIVELY. ALL PARTIES TO THE GATT, LARGE OR SMALL, MUST BE PREPARED TO ABIDE BY THE RESULTS WHICH EMERGE IN GENEVA. NOW THAT THE UNITED STATES' DOMESTIC INTERNATIONAL SALES CORPORATION PROGRAMME (DISC) HAS BEEN FOUND BY THE GATT TO BE IN VIOLATION OF UNITED STATES' OBLIGATIONS, WE WILL BE PRESSING THE AMERICANS TO BRING THIS SYSTEM INTO CONFORMITY WITH GATT RULES. AMERICAN FAILURE TO DO SO WILL ONLY WEAKEN THEIR EFFORTS TO FURTHER STRENGTHEN THE GATT AND TO EXTEND GATT DISCIPLINE INTO NEW AREAS OF INTERNATIONAL TRADE SUCH AS SERVICES.

I WOULD ADD THAT THIS GOVERNMENT PUBLICLY STATED ITS WILLINGNESS TO HAVE A GATT PANEL DETERMINE WHETHER AMERICAN COMPLAINTS ABOUT CERTAIN FIRA PRACTICES WERE INCONSISTENT WITH CANADA'S GATT OBLIGATIONS. WE THOUGHT THIS MADE GOOD SENSE. IT HELPED DEFUSE A MAJOR BILATERAL PROBLEM. BOTH SIDES FIND IT EASIER TO RESPECT A JUDGEMENT REACHED BY AN INTERNATIONAL BODY.

4. I BELIEVE WE SHOULD ALSO BE SEEKING IMPROVED AND MORE BALANCED RULES GOVERNING TRADE IN AGRICULTURAL PRODUCTS. WE MUST SEEK BETTER DISCIPLINE OVER THE USE OF EXPORT SUBSIDIES BY THE EUROPEAN COMMUNITY WHEREBY IT DUMPS LARGE SURPLUSES ON INTERNATIONAL MARKETS. SUCH EUROPEAN PRACTICES HURT PRODUCERS IN THE MORE EFFICIENT AGRICULTURAL PRODUCING COUNTRIES. AT THE SAME TIME THEY POSE AN INORDINATE BURDEN ON EUROPEAN TAXPAYERS.

5. WE ALSO SEEK TO STRENGTHEN THE EXISTING GATT CODES WHERE CANADA HAS A PARTICULAR INTEREST IN OBTAINING BROADER ACCESS FOR ITS PRODUCTS AND IN IMPROVING THE RULES OF INTERNATIONAL TRADE. THE AIRCRAFT AGREEMENT, FOR EXAMPLE, HAS SERVED US WELL AND HAS BEEN STRONGLY SUPPORTED BY THE CANADIAN AEROSPACE INDUSTRY. THIS AGREEMENT CALLS FOR NEGOTIATIONS BY THE END OF THIS YEAR. OUR APPROACH WILL BE TO SEEK TO EXPAND THE COVERAGE OF THE CODE AND TO MAINTAIN A BALANCE OF RECIPROCAL ADVANTAGES TAKING INTO ACCOUNT SPECIFIC TRADE INTERESTS OF THE CANADIAN INDUSTRY. A FURTHER OBJECTIVE WILL BE TO HAVE AIRCRAFT MANUFACTURING COUNTRIES, WHICH ARE NOT SIGNATORIES TO THE CODE, ACCEDE TO IT.