

1) The emergence of the newly-industrialized countries as a major force in the world economy is a case in point. These advanced developing countries (such as Korea, Brazil, Singapore) have benefitted enormously from successive negotiations under the GATT. But they have not subjected their own import regimes to the same discipline that has been accepted by the developed countries. Canada's trade with these countries has increased dramatically over the last decade. Our exports to the newly-industrialized countries in 1971 amounted to less than \$900 million annually. This figure had increased to almost \$6 billion in 1980. I consider that a key priority in the 1980s must be to ensure that these countries accept more obligations under the GATT. They must make a contribution to the international trading framework commensurate with their stake in the system. This is a goal we share with the other developed countries and, I might add, with certain of the lesser developed countries as well.

2) Efforts to negotiate a safeguards agreement in the Tokyo round failed. Such an agreement, which would elaborate on the GATT provisions regarding emergency protection against imports causing serious injury, would provide a more acceptable and balanced framework for such action. A system in which the larger trading countries operating outside GATT rules can strike advantageous deals with supplying countries 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.

**Commitment
essential**

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 Foreign Investment Review Agency (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 judgment 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 inter-