

Canada will join with other Summit countries in urging the USA Administration to continue resisting reciprocity legislation in Congress. Such legislation poses a direct threat to the concept of most favoured nation treatment which lies at the heart of the multilateral trading system.

At the GATT Ministerial meeting in November, Canada will have a special interest in the strengthening and broadening of the GATT system into new areas of particular significance to Canada, such as agriculture, dispute settlement, safeguards and government procurement. Versailles can contribute to a successful outcome of the GATT ministerial, although we do not believe it can, or should, predetermine the outcome.

#### North/South Relations

Canada remains committed to progress in North-South relations. In our view, the Versailles Summit Declaration should reaffirm the commitment of Summit Leaders at Ottawa to enhanced economic cooperation with the developing world, for reasons of both basic humanitarianism as well as enlightened self-interest.

Willingness to agree on terms on which Global Negotiations could be launched is considered by many Third World nations as a litmus test of the North's commitment. Canada will actively join in efforts at Versailles to find a consensus on this issue with which all Summit countries, including the USA, can associate themselves.

At Versailles, Canada will also encourage further progress on sectoral issues, including food and agriculture and energy lending to developing countries. We will also seek to ensure that the multilateral development banks receive sufficient funding despite shortfalls in contributions from some countries.

#### Energy

In view of the present oil supply surplus, energy issues are not as pressing at Versailles as they have been at some past Summits. However, Canada is concerned that Summit countries do not become complacent in the continuing and necessary task, initiated at Venice, of breaking the link between oil consumption and economic growth. We continue to hold the view, endorsed at the Ottawa Summit, that there should be improved understanding and cooperation with the oil exporting countries.