

to review the provisions of the GATT to see if improvements could be made. I am free to say now that, although the Canadian Government was in favour of strengthening the trade rules, in order to hasten the elimination of the remaining restrictions to trade, we were rather doubtful about the timing of the exercise. We thought that conditions might be more propitious at a later date. In the belief, I think we were right.

At any rate, the General Agreement was subjected to a thorough and painstaking review by the 34 member countries, over a period of four months. It was a long and difficult session, which was unfortunately complicated by a request from the United States for a waiver of its obligations with respect to an important sector of its trade.

The United States Government is faced with a conflict between its commitments to other countries under the GATT and the requirements of its agricultural legislation as set forth in Section 22 of its Agricultural Adjustment Act. Section 22 provides for the imposition of import restrictions and for the levying of fees upon imported agricultural products which threaten to interfere with programmes of the United States Department of Agriculture. The United States Government requested the Contracting Parties to the General Agreement to grant it a waiver of its obligations to an extent that would remove this conflict.

I was in Geneva at the time, leading the Canadian Delegation, and I was greatly disturbed by this request, which related to such a large area of our trade with the United States. On my return to Ottawa, my colleagues Mr. Pearson and Mr. Harris and I arranged to visit Washington, our purpose being to urge the Administration to reconsider its request for a waiver. Unfortunately, the Administration felt unable to change its position. When the matter came to a vote at Geneva, Canada opposed the granting of the waiver, and so did most of the other countries which sell agricultural produce in substantial quantities to the United States. However, the waiver won the support of the number of countries required to make it effective.

This is a regrettable incident in the commercial relations between Canada and the United States, but its importance should not be exaggerated. The fact that the United States has been granted a waiver from its obligations with respect to import restrictions on agricultural products does not mean that the United States is about to impose new and severe restrictions on imports from Canada. Nor does it mean that Canada has been deprived of any of its rights under the GATT to take whatever action would be appropriate if the United States were to embark on such a course.

I do not believe that we are going to run into any insuperable difficulties in our agricultural trade with the United States. We have taken a