

Canadians have become much more aware of the GATT dispute settlement procedures in recent months, following the reports of GATT panels on the practices of provincial liquor boards in Canada, on West Coast salmon and herring, and on beef. They demonstrate that trade questions have direct domestic implications. When we are called upon, as we have been, to adjust sensitive domestic policies, we want to be sure that the rules are being applied in the same way to our major trading partners. That means having better rules and, sometimes, more sensible rules.

But it also means having an international organization -- The GATT -- that is strong enough to apply those rules reliably, consistently and sensibly.

I don't need to remind Albertans about the importance of agriculture. Our farmers are victims of a subsidy war between the European Community and the United States. We can't afford to subsidize at those levels. And the world can't afford to have agricultural production so distorted by subsidy. No one country can stop it alone, so we must together. And the leadership must come from the wealthy countries that subsidize the most.

There is an urgent need to devise practical rules for agricultural trade that can secure early and wide agreement -- agreement at the Montreal mid-term meeting. It is intolerable that efficient agricultural producers in Western Canada are being made the victims of subsidy policies that serve mainly to destabilize international commodity markets. The other reason this is urgent is that trading practices in agriculture set a bad example in other areas of trade.

The MTN negotiations are addressing for the first time, the impediments to trade in services, and issues involved in the trade-related aspects of intellectual property and investment. These are areas where an absence of international rules has increasingly hampered trade and investment.

As economies grow more diversified, it becomes harder to separate trade in goods from trade in services - how are we to describe, for instance, the knowledge embodied in your computer's floppy disk? It is a key question for us now when services account for almost 60 percent of Canada's Gross Domestic Product.

For large companies, services are in many ways interchangeable with goods. Countries interested in creating jobs, developing skills, and exploiting integrated approaches need rules for both goods and services. So does the international community.