



In addition, a well-functioning global trading system helps advance objectives such as stricter environmental standards, improved labour standards, greater respect for human rights and increased resources to support social policies.

“By creating prosperity, trade fosters human dignity and strengthens societies here and abroad,” says Minister Pettigrew. “History has shown that, over time, trade provides the resources that enable governments to protect the environment, strengthen the social safety net and promote our core values—tolerance, compassion, generosity, democracy, the rule of law and more.”

A new era in world trade

In the last half-century the world economy has undergone a transition as fundamental as the Industrial Revolution, ushering in a new era in trade relations between countries.

At first relations were governed by the General Agreement on Tariffs and Trade (GATT), adopted after the Second World War in 1948 by 23 of the world's trading nations.

Over the years, trading rules were hammered out in repeated rounds of international negotiations. Meanwhile global trade increased over a hundredfold. Eight rounds of negotiations lowered average industrial tariffs from 40 percent to less than 4 percent. The most recently completed round of negotiations extended from 1986 to 1994; known as the Uruguay Round, it led to the creation of the WTO in 1995.

Canada benefits significantly from an open world trading system based on clear rules and on predictable access to international markets. To sell their goods and services, Canadian companies have to be able to enter a market. The WTO allows them to do that.

The WTO is central to Canada's trade policy and its relations with its trading partners. In the new round of multilateral trade negotiations now under way (see box), Canada will keep pursuing an international framework of rules—one that provides access to growing world markets and keeps pace with changes in technology, business practices, social systems and public interests.

Len Edwards is Canada's Deputy Minister for International Trade. Speaking of the new round, he says, “On the agricultural front—one of the first two sectors being negotiated, the other being services—Canada is seeking elimination of all export subsidies as quickly as possible, reductions in trade-distorting domestic support, substantial improvements in market access for all agricultural and food products, and new disciplines for export taxes and restrictions.”