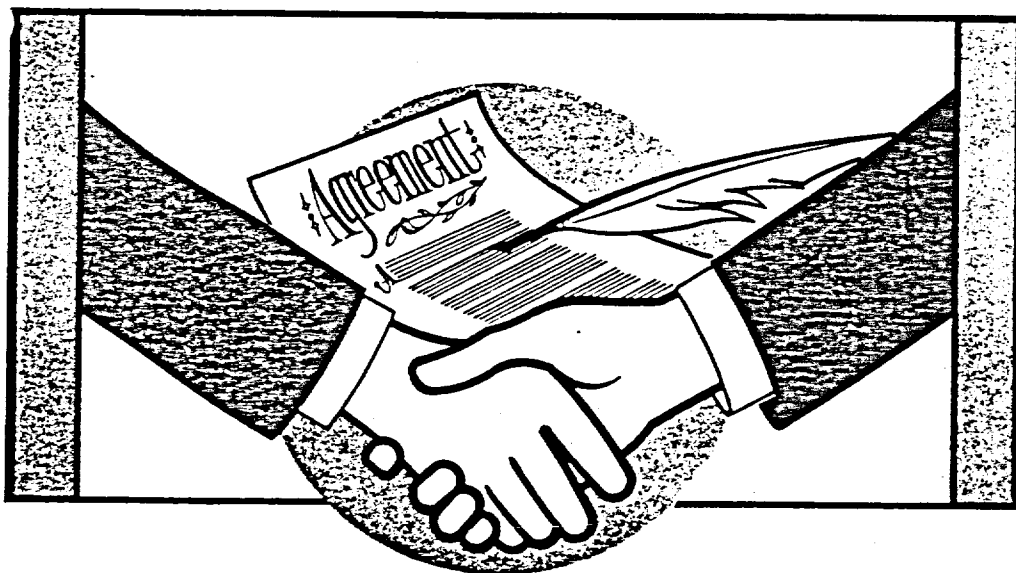


continuing liberalization of the international investment regime. Among the trade-related investment measures being discussed in the Uruguay Round are the imposition of specific export targets or levels of domestic purchasing as a condition of investment approval.

The proliferation of exceptions and deviations to GATT rules over the years, combined with strong and persistent pressure by protectionist forces in major GATT countries are seriously undermining the credibility of the GATT itself. Canada recognizes the GATT's vital importance to the world community as the primary instrument available for preserving gains already made in trade liberalization. Canada also recognizes the GATT's importance to the management of our trade relations with most other countries.

Canada, therefore, attaches major importance to the development of an effective and improved dispute settlement mechanism. It favours expansion of the role of the GATT from that of an organization administering a world trade agreement, to one with responsibility for managing international trade policy issues.

All GATT members have an interest in strengthening the GATT system. Among the issues to be addressed in this context are a more effective surveillance and trade policy role for GATT, increased involvement at the ministerial level and enhanced cooperation with other economic organizations, notably the International Monetary Fund and The World Bank.



In the Uruguay Round, Canada is once again playing an influential role in shaping the rules of international trade. This activist role reflects the government's commitment to restoring momentum in the liberalization of world trade.

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