

This is why Canada is dedicated to the idea of a strong world trading system, and why our number one trade priority remains a successful conclusion of the Uruguay Round of Multilateral Trade Negotiations. For Canada, a successful Uruguay Round is essential, given the importance of trade to our economic well-being and our interest in ensuring a stable and predictable world trade environment.

But it is also essential now for economic recovery. Success in the talks would provide a much needed stimulus for world trade and investment. It would also provide rules and open markets to help new market-driven economies, such as the C.S.F.R., become fully integrated into the world system as they develop and reshape their economies. The people of the Czech and Slovak Federal Republic should be congratulated on their remarkable march toward a free and open market economy.

When the C.S.F.R. liberalized prices in 1990, inflation was running at 55 per cent -- far behind the 250 per cent annual inflation rate registered in Poland during the same period. Now, the Organization for Economic Co-operation and Development (OECD) estimates inflation in the C.S.F.R. may have fallen below 10 per cent per annum last year.

Unemployment, while a new phenomenon for many Czechs and Slovaks, is still relatively low. At the national level, an estimated 6.3 per cent of the work force was out of work, reflecting a decline in output -- a phenomenon the C.S.F.R. shared with all the emerging market economies of Central and Eastern Europe. However, if all goes well, 1992 should be the year of privatization and its success should result in positive economic growth.

Canada, along with its Group of Seven (G-7) partners, has been doing its share to spur economic growth and a free economy in the C.S.F.R. to help the people of the C.S.F.R. through this challenging period. Late last year, Canada granted general preferential tariff treatment to the C.S.F.R. This preferential tariff treatment will allow goods made in the C.S.F.R. to enter Canada at reduced, or in certain cases, duty-free rates. Consistent with commitments made at the G-7 Summit in London, Canada also moved to offer textiles made in the C.S.F.R. enhanced access to the Canadian market at a time of great hardship for our own textile industry. Canada signed a new bilateral air agreement with the C.S.F.R., offering Czechoslovak Airlines landing rights at Toronto's Pearson International Airport.

To encourage Canadian investment in the C.S.F.R., Canada signed a Foreign Investment Protection Agreement and Double Taxation Agreement with the Government of the C.S.F.R., which will enhance the competitiveness of Canadian firms investing in the C.S.F.R.