

## HOUSE OF COMMONS

Tuesday, November 26, 1963

The house met at 2.30 p.m.

### MINES, FORESTS AND WATERS

#### CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

**Mr. O. J. Godin (Nickel Belt)** presented the first report of the standing committee on mines, forests and waters, and moved that the report be concurred in.

Motion agreed to.

### TRADE

#### STATEMENT RESPECTING FORTHCOMING TARIFF NEGOTIATIONS

**Hon. Mitchell Sharp (Minister of Trade and Commerce):** Mr. Speaker, in responding to a question from the hon. member for Danforth on October 21 I undertook to inform the house on the current status of the preparations for the round of GATT trade negotiations scheduled to get under way next year. This round is colloquially known as the Kennedy round, a phrase which recalls to all members the courage and the wisdom of the late president of the United States.

On May 24 I reported to the house on my return from a meeting of trade ministers in Geneva that it had been agreed in principle to convene a comprehensive trade negotiating conference on May 4, 1964. This major negotiation is to cover all sectors of trade, including agriculture. In taking this decision the GATT ministers recognized that a great deal of preparatory work would be required before the opening of negotiations. For this purpose a trade negotiations committee has been established, composed of representatives of all the participating countries, to elaborate the rules for the tariff negotiating plan to be adopted, to work out the means for dealing with the special problems of agricultural trade and non-tariff barriers to trade, and to consider the participation of less developed countries in the negotiations.

This committee, of which Canada is a member, has held a number of meetings and established a series of subsidiary groups to work on particular questions. A subcommittee on the tariff negotiating plan has been at work. The elaboration amongst the countries concerned of a suitable across the board linear reduction plan designed to be largely automatic in operation requires the most careful

and detailed examination. Hon. members will recall that while GATT ministers agreed on the adoption of a linear plan for the negotiations, it was accepted that for countries such as Canada, for which a linear plan would not be appropriate because of the characteristics of our production and trade, the objective would be the achievement of reciprocity through an exchange of concessions of equivalent value.

In the field of agriculture a general agricultural committee has been established by the trade negotiations committee. The terms of reference of this committee are as follows:

The committee shall consider and submit to the trade negotiations committee recommendations in regard to the rules to govern, and the methods to be employed in the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products.

A cereals group has met to examine the possibility of coming to general international agreement on acceptable conditions for access to world markets for wheat and other cereals. This group is meeting again during the present month. A group on meats has held one meeting, and a similar body will be established on dairy products. Other subcommittees are dealing with non-tariff barriers and the participation of the less developed countries.

Preparation for a major trade negotiation of the scope which is contemplated is a complex process involving progressive recalculations of the varying interests of participating countries. Agreed methods and procedures will take some time to work out. Indeed, there has already been what the technicians refer to as some slippage in the schedule originally envisaged for the preparatory work. The house will appreciate, however, that the negotiating conference itself is not scheduled to open until May of next year.

Canada is participating actively in the preparatory work and will continue to do so. We wish to ensure so far as possible that the negotiations will have broad coverage and will be substantial and successful. It is important for Canada that the foundations for the negotiations should be soundly laid and should accommodate our own negotiating interests as well as those of the larger participants such as the United States and the European economic community. Our current efforts are directed to this end.