Agriculture trade

At the opening session, Mr. Clark stressed that the new guidelines should include an end to agricultural subsidies. "In no other sector is there such an urgent need to achieve an early result," he said.

Canada and 13 other countries — Argentina, Australia, Brazil, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand and Uruguay — that do not subsidize their own agricultural exports, maintain that subsidies to farmers in other countries, particularly in the US and the European Economic Community where they amount to billions annually, make it difficult for their farmers to compete in world markets. Mr. Clark said that farm subsidies by these countries have helped contribute to a genuine crisis in international agricultural trade.

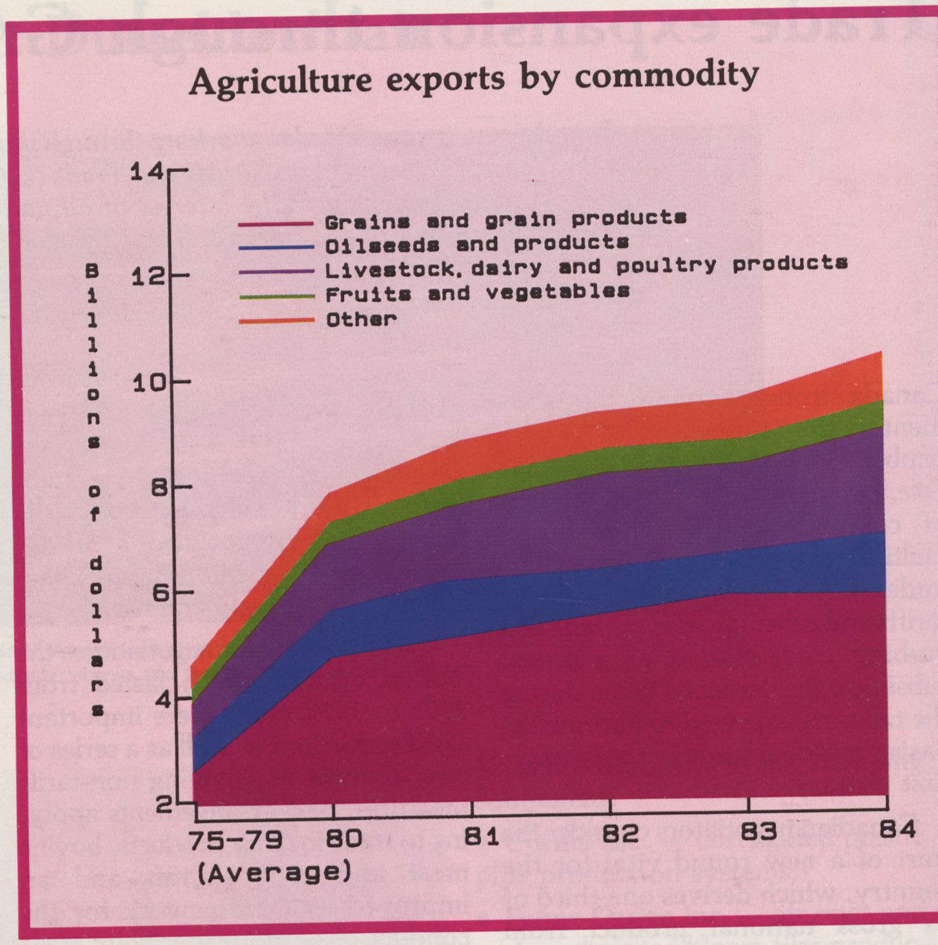
As a result of the agreement in Uruguay, GATT negotiators will focus on the mounting damage to the world trading system caused by agricultural support programs. The guidelines specify that the negotiators will work on "a phased reduction" of "the negative effects caused by subsidies and other measures". GATT members have agreed they might go ahead with agricultural reforms within two years.

Minister of State for Finance Tom Hockin, who represented Canada in the agricultural discussions, said the agreement was a beginning for developing more effective GATT disciplines to cover agricultural trade.

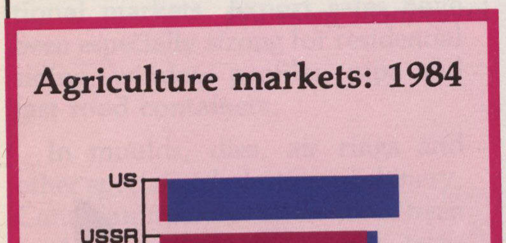
Service industries

The growing world trade in services is another important area that will be discussed in the eighth round agenda. It is the first time that service industries — such as telecommunications and computer services; financial services (including banking, insurance and investment); transportation; engineering, construction and consulting services; and other professional services — will be included in the multilateral discussions under GATT.

Concurrent with the recent growth of the service industries in the Canadian economy, Canada's international trade in services has also expanded. From 1969 to 1984, the deficit on trade in services increased from $800 000 to $4.4 billion with travel and business services



Statistics Canada



Statistics Canada