

these agreements promote increased international trade to the benefit of all GATT members.

Let's look at each of our three international trade initiatives and discuss how they can help Canadians adjust to and succeed in the increasingly competitive global trading environment of the twenty-first century.

Canada has always been a strong supporter of the GATT and we have been working hard to achieve a successful outcome to the Uruguay Round. At the present time, it is not clear that the GATT Round will in fact succeed. As I will discuss in my concluding remarks, the GATT's fate depends on the U.S. Congress and on whether the Americans and Europeans can resolve their differences on agriculture.

Does the GATT matter to Manitoba?

The answer is clearly yes.

The U.S.-European agriculture subsidy wars have harmed Manitoba grain farm and the industries in Winnipeg, Brandon and other towns that support them. The Organization for Economic Co-operation and Development (OECD) estimates that support and protection to the farming sector cost the world's 24 richest countries some \$250 billion in 1989 alone. Nowhere have these wasteful subsidy battles been more harmful than here in Western Canada.

The federal government has been providing billions of dollars to Western producers to help them survive this subsidy war, but this is only a temporary solution. We must, use the GATT negotiations to get an agreed set of multilateral rules to govern agricultural trade and to achieve a level playing field which will enable Canadian producers to compete on the basis of their natural advantages and not the increasingly shallow pockets of Canadian taxpayers.

While agriculture is the key to a successful conclusion of the GATT negotiations, there are other areas of importance to Manitoba's economy. For example, service industries are vital to your future prosperity. Manitoba companies have established an enviable reputation in the fields of telecommunications, transportation and engineering services. The present GATT does not cover trade in services, even though they represent the fastest growing sector of international trade. That's why we are participating in the Uruguay Round and trying to develop a framework and set of rules to cover trade in services.

In February the GATT negotiations resumed, breaking the impasse which had developed at the last ministerial meeting in Brussels in December. Canadian officials have been participating in