



CANADA SEEKS BASIC REFORM OF WORLD AGRICULTURAL POLICIES

OTTAWA -- Canada will press for basic reform of trade-distorting agricultural policies among the member nations of the General Agreement on Tariffs and Trade (GATT), International Trade Minister Pat Carney announced today.

Canada, the second GATT member to table its position at the multilateral trade negotiations in Geneva, is calling for a comprehensive approach that would eliminate or reduce to the maximum negotiable extent all trade distorting measures by all GATT members for all agricultural commodities. (A backgrounder outlining the Canadian approach is attached.)

The proposal reflects the leadership role Prime Minister Mulroney played at the Tokyo and Venice economic summits, when he brought to the attention of world leaders the urgent need to reform agricultural trade. At the Venice Summit, leaders acknowledged the necessity of advancing the GATT negotiations quickly and expressed the wish that negotiating proposals would be tabled in Geneva before the end of this year.

"Agricultural subsidies and trade barriers have created a vicious circle which continues to cause problems of overproduction and low commodity prices," Miss Carney said. "It's costing Western nations tens of billions of dollars per year, and it's getting us nowhere."

"Thanks in part to Canada's efforts in international forums, there now exists a strong international political will to break out of this circle and get agriculture back on a firm economic footing," she added.

"Although we cannot predict the final outcome of the negotiations, it is vital to launch a bold initiative to ensure much-needed reform in agricultural trade."

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