

Minister of Industry,
Science and Technology and
Minister for International Trade



Ministre de l'Industrie, des
Sciences et de la Technologie et
ministre du Commerce extérieur

Statement

Déclaration

93/41

AS DELIVERED

AN INTERVENTION BY

THE HONOURABLE MICHAEL WILSON,

MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY AND

MINISTER FOR INTERNATIONAL TRADE,

AT THE

OECD MEETING OF COUNCIL AT MINISTERIAL LEVEL

"THE MULTILATERAL TRADING SYSTEM"

PARIS, France
June 2, 1993

Mr. Chairman, colleagues:

As was discussed this morning, the prospects for moving the world economy toward renewed sustainable economic growth and job creation present our governments with some formidable challenges. In shaping our response to these challenges, we must consider the increasing globalization of economic activities and the growing interdependence of our domestic and international economic policies.

Trade is a major engine of growth and is leading many of our economies into recovery. At this time, nothing would contribute more to strengthening confidence in an expanding world economy than bringing the Uruguay Round to a successful conclusion (and, let me add, at no fiscal cost). So far, our commitment to a stronger and more open multilateral trading system has been defied by the great complexity and the apparent intractability of the key issues on the Uruguay Round agenda. This has created uncertainties about the overall direction of trade policies and the future of the multilateral trading system itself. Creating new trade and investment opportunities requires tearing down trade barriers and reforming the trade rules governing our economic relationship. It is fundamental that all countries, big and small, be prepared to operate their trade regimes within these rules.

The decision by the United States administration to seek an early renewal of its negotiating authority and its determination to complete the Round by December 15, 1993 are positive steps. The shared determination by other OECD [Organization for Economic Cooperation and Development] governments to reach an early GATT [General Agreement on Tariffs and Trade] deal is also welcome.

This is critical, as the rest of the world is looking to us to demonstrate that we have ourselves re-engaged seriously and have laid the basis for resuming the full negotiating process in Geneva as soon as possible. Some 37 developing and developed countries have clearly placed the responsibility on us to show leadership by breaking the logjam in the market-access negotiations. We heeded their call, and last month in Toronto we created a new momentum for the Round. My colleagues from the United States, the European Community, Japan and I agreed to seek to develop the broad outlines of a large and balanced package of market-opening measures as the basis for a substantive statement on the Round by leaders at the Tokyo Summit in July.

This package will need to include broad and substantive services-liberalization commitments, including for financial services. It will also need to lead to a substantial reduction, harmonization and elimination of tariffs and non-tariff barriers facing all major goods sectors: manufacturing, resource-based and agricultural products.

Only a large market-access result will create the kind of new trade and investment opportunities that will act as a spur to sustained economic growth and enhanced competitiveness of our economies. This is what will allow us to garner the necessary private-sector support for a reformed GATT system. Such a package will also be key to ensuring that the pursuit of multilateral and regional trade arrangements are compatible, in support of more outward-looking trade policies.

While actively engaged in the Uruguay Round, Canada also concluded a Free Trade Agreement with the United States and negotiated the North American Free Trade Agreement [NAFTA], convinced that open regionalism and open multilateralism are two sides of the same coin. In both agreements, we have agreed to reduce barriers among the free trade partners; we have not increased barriers vis-à-vis others. Far from being a trading bloc, the NAFTA is a building block for a more dynamic North American economy and for expanding trade worldwide.

We must all be prepared to put our shoulders to the wheel. The draft final act issues need to be resolved in the fall, with as few changes as possible, as part of a truly global and balanced overall Uruguay Round outcome. The proposed Multilateral Trade Organization, which Canada has sponsored, will help to ensure effective and coherent enforcement of the new trade agreements.

Mr. Chairman, we need to complete the Round if we are to maintain our credibility. Completion of the Round will enable us to move on to tackle new issues. There is clearly no status quo on the trade-policy front. Our failure to find multilateral solutions to emerging issues can only fuel pressures to find solutions outside the system.

The OECD is well equipped to enhance our understanding of cross-sectoral issues. Competition and investment policies are good examples. Canada has been at the forefront in pressing the OECD to do a comprehensive analysis of the broad issues relating to investment instruments. The analysis and the solutions must capture the complexities involved. For Canada, we want to ensure that our particular interest as a federal state are understood and met.

I am pleased that the OECD has moved quickly to develop guidelines to assist our policy makers concerned with trade and environment to take into account the legitimate concerns of both areas. These guidelines will strengthen the capacity of governments to ensure that trade and environment policies will be pursued in a mutually compatible and reinforcing manner.

Canada endorses these guidelines. Moving forward will require more rigorous analysis of the difficult and outstanding issues, some of which have been highlighted in the joint experts' report.

For example, the Joint Experts Group should examine how best to ensure that countries accept and comply with new international obligations in the environment area. In this area, as is the case of our work on competition and investment, the OECD can provide the sound analytical basis and co-operative approach that we as ministers need.

It is the OECD's analytical capacity and co-operative approach that has proved fundamental to the development of our shared understanding of issues and has provided the basis of co-ordinated multilateral solutions. This co-operative rather than unilateral approach has served us well in the past and should guide us in the future.

The more immediate test of our mettle is the conclusion of the Uruguay Round. However, we must clear the decks of the Uruguay Round -- a complex undertaking in itself -- without further complicating our task as these other emerging issues come onto the negotiating table. We must tell our other partners in the Round that we are ready to return to Geneva this summer to achieve a successful outcome that will be a truly global and multilateral undertaking.

In closing, Mr. Chairman, when we achieve a successful conclusion to the Uruguay Round, we will all reflect with great respect on the tremendous contribution of Arthur Dunkel to the historic result.

Thank you, Mr. Chairman.