

Statement

Discours

Minister for
International
Trade



Ministre du
Commerce
extérieur

88/56

PRESS CONFERENCE STATEMENT BY THE
MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

FOLLOWING THE GATT'S MONTREAL MINISTERIAL MEETING

MONTREAL

December 9, 1988.

Good morning.

As you will all have heard by now, this meeting has been wound up, to be continued by senior officials in Geneva next April.

It has been four long days and nights. I won't pretend that this is the outcome I was hoping for when we began.

Obviously it's not.

We can't claim this meeting is a success but it's not a failure either.

Many of the issues in these negotiations--for example trade in services, trade related intellectual property rights and agriculture--are extremely complex issues which GATT member countries are dealing with for the first time.

Furthermore, most of the rounds of multilateral trade negotiations have run into major snags at one point or another. Decisions in the Kennedy Round were delayed for about one year while details were sorted out and solutions were found.

The Uruguay Round is no different.

This was a mid-term review. In fact, it was the first such review in the history of the GATT. It was designed to assess progress in negotiations thus far and to give political direction to negotiators for the remainder of the negotiations.

It was not designed to deliver dramatic results.

We knew that we were not about to solve the world's trade problems in a few days and nights.

The decision to extend this phase of the negotiations until April is a rational response to developments over the past week. It preserved the best of what we achieved this week and gives us time for cool re-examination of the problem areas. But most importantly, it prevented a stalemate, which might have jeopardized the not insignificant gains we made here in Montreal.

Under Arthur Dunkel's able direction, we will have the opportunity over the next few months to try to achieve progress in the four problem groups (agriculture, textiles, safeguards, and TRIPs) and thus move toward realizing the full results of this meeting.

Obviously, agriculture is a key problem.

Canada has placed a high priority on long-term reform of agricultural trade. We are disappointed that the 96 GATT member countries could not agree on a negotiating framework in Montreal.

Despite the concerted efforts of Canada and other countries to forge a consensus on the goal of long-term agricultural trade reform, the gap between the European Community and the U.S. was just too great to bridge this week.

We regret that the European Community was either unwilling or unable to show more flexibility in their position on this issue. If they had, perhaps the United States might have responded. That will have to happen over the next several months. This event in Montreal might prove to be just the therapy needed. Let us hope so.

Though we may be disappointed, we are not discouraged.

Moreover, it is important to emphasize the same system which failed to produce a deal on agriculture did succeed in giving us substantive progress in a great number of other areas.

I am referring to what we achieved in areas such as market access, dispute settlement, the functioning of the GATT, trade in services and tropical products.

I would like to thank other delegations for their cooperation in the group which I chaired and in which we made good progress on tariffs, on dispute settlement and on the functioning of the GATT, all of which are important to Canada.

In market access, we developed a framework for negotiating the greatest possible reduction in tariff and non-tariff barriers, particularly those affecting our exports of resource-based products at all stages of processing.

We succeeded in taking a large number of decisions which will be implemented subject to a resolution of the four outstanding problem areas I mentioned earlier.

On dispute settlement--a provisional agreement was achieved in Montreal which would improve the establishment and functioning of GATT panels and reduce the possibilities for delay in the settlement of disputes. It would also make the dispute settlement process more flexible through the expanded use of arbitration, conciliation and mediation procedures.

On the functioning of the GATT--Canada has played a leading role in developing proposals to strengthen and improve the GATT system. These proposals provide for the establishment of a mechanism to carry out periodic reviews of the trade policy and practices of GATT Contracting Parties; greater ministerial involvement to provide stronger political direction to GATT activities; and greater co-operation among the GATT and the other major international economic institutions, the International Monetary Fund and the World Bank.

On trade in services -- we came to Montreal seeking the development of a comprehensive services agreement that, for the first time, would secure and enhance access to world markets for service industries, which are providing more and more of the jobs both in Canada and around the world.

Ministers have now agreed that substantive negotiations should intensify on a multilateral framework to be applied to the broadest range of service industries possible.

This was another achievement .

As far as tropical products are concerned, Canada contributed to an important package of measures, designed to liberalize trade in products of particular importance to developing countries. This should be implemented early in 1989. Almost all Canadian imports of tropical products, worth some \$1.2 billion a year, should enter this country duty free or at a special preferential rate.

In all the areas I have just mentioned -- market access, dispute settlement, the functioning of the GATT system, services, and tropical products -- we have made undeniable and important progress.

When this meeting began, I expressed the following hope: that I could report today that the GATT is alive and well, that it is adjusting to the reality and complexity of the world trading system, and that we are firmly committed to achieving the objectives we set for ourselves in the Punta del Este Declaration.

Is the GATT alive and well?

Yes, with some aches and pains.

Is it adjusting to changes in the world trading system?

Yes, with the usual challenges associated with adjustment.

Are GATT member countries still committed to the ambitious objectives we set for ourselves in Punta del Este?

Yes--and that view is unanimous.

We have a difficult task ahead, but not an impossible one. Canada and every other participant is committed to the successful conclusion of the negotiations by the end of 1990.

My colleague would now like to say a few words, after which we will be happy to answer your questions.

Thank you.