



CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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### TRADE ACCESS TO THE EEC

Statement by Mr. H.B. McKinnon, Chairman of the Canadian Delegation to the 1960-61 GATT Tariff Conference, at the Opening Session on September 1, 1960.

...The series of conferences opening today, including the coming seventeenth session of the contracting parties, will be a good deal different from any of those which have preceded it. The latter- and particularly the 1947 negotiations in Geneva and those of 1950 in Torquay- were significant achievements in international trade co-operation; the world moved from bilateralism to multilateralism.

But this is another day; new and different problems in the sphere of economic and commercial policy have arisen. Some of them present quite novel aspects of considerable complexity and difficulty. We are here to deal with a number of these in the months to come. Many of the most difficult matters we shall have to discuss arise from decisions to work together on a regional basis and to intensify economic co-operation within particular groups of countries.

With the marked improvement in financial position of many of the important trading countries over the past decade; with the welcome, though not yet complete, abolition of discrimination and quantitative restrictions, tariffs are again playing a more significant role in regulating trade. It is right to emphasize, as speakers before me have done, the importance of the new round of tariff negotiations that is to begin next January. However, the work with which we shall be concerned before the New Year, particularly the renegotiation of tariff bindings of the members of the European Economic Community, is of critical importance.

#### Access to The Six

Canada has on many occasions expressed its sympathy with and understanding of the economic and political objectives of the European Economic Community. A liberally-oriented EEC

should provide an expanding market to other countries. In this connection, my Government has welcomed the Community's declaration that it wishes "to pursue vis-a-vis non-member countries...a liberal policy which takes their anxieties into account." We have to examine that essential feature of the new Community--the Common Tariff, which is to replace the present national tariffs. We must consider whether the present terms of access to the market of The Six, paid for with concessions by contracting parties, are to be maintained under the proposed Common Tariff. If not, ways must be found of restoring the balance of mutual advantage. A number of countries depend for their export income on a narrow range of products and it is what happens to these particular products that matters to them; no theoretical argument as to the general incidence of the Common Tariff can meet their legitimate concerns.

### Agricultural Exports

Trade in agricultural products is of particular concern to Canada, since it represents more than 40 per cent of our exports to the member states of the Community. In many important instances, tariffs on agricultural products may have little meaning in view of other measures applied or envisaged by the six member states to regulate agricultural imports. We shall have to consider this sector very carefully; my Government believes that it is important that a satisfactory settlement be reached providing reasonable and known terms of access to the Community for agricultural products. It is inconceivable that a satisfactory balance of concessions between The Six and agricultural exporters can be found unless the EEC is prepared to assume and implement meaningful obligations in this vital sector of international trade.

The Canadian Delegation has been sent here to assist in making this a constructive and successful conference. That is not to say that we anticipate no difficulties, for indeed we do. We have important trading interests in Europe, and beyond Europe; we are here to protect and to further those interests.

A great deal of goodwill and labour will have to go into the work of the next few months if the renegotiations are to be successful and if the access to which other countries are entitled in the markets of The Six under the Agreement is to be assured and -- as we hope -- enlarged. We must address ourselves with diligence and care to the problems that lie ahead-- problems that, if they are to be resolved, will demand from all delegations much reasonableness and much understanding of our mutual interests.