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# news release

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Date

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For release

## CANADA WELCOMES AGREEMENT IN GENEVA TRADE TALKS

OTTAWA -- International Trade Minister, John C. Crosbie, today welcomed the positive outcome of the global trade talks this week in Geneva. As a result, the Mid-Term Review of the Uruguay Round of multilateral trade negotiations, initiated at the GATT Montreal Ministerial meeting in December, has been successfully concluded.

Mr. Crosbie said, "The way is now paved for the GATT talks to move into their detailed and substantive phase with a view to their completion by the end of 1990. This breakthrough opens the way to covering agriculture in a way never before included in a GATT context, as well as to improved market access for resources, manufactured products and trade in services."

A key element of the package agreed at the Geneva meeting is a negotiating framework for the liberalization of international agricultural trade and a progressive reduction of trade distorting support measures. The Minister said, "The agricultural reform framework agreed in Geneva is intended to lead to the establishment of a fair and market-oriented agricultural trading system, with the ground rules applying to all trading countries."

A short-term freeze provides that the current support and protection levels in the agricultural sector will not be increased during the period of the negotiations. Countries have also agreed by October 1989 to examine the possibility of reducing support and protection levels for 1990. "This short-term political undertaking shows a commitment to the negotiations. For Canada, the important goal is a long-term agreement on agriculture which will bring about a level playing field," Mr. Crosbie noted. Agriculture Minister Don Mazankowski added, "I want to underline that, in the short term, Canada continues to retain all of its rights under GATT, including the ability to introduce import controls in support of supply management; Canadian Wheat Board payments will continue to operate as in the past."

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The development of a negotiating framework on trade related intellectual property issues was also a key to unblocking the Uruguay Round of global trade negotiations. Negotiators will now try to agree on trade rules to govern areas such as patents, copyrights and trademarks, and on appropriate enforcement of these rules. An important aspect will be developing a system for multilateral settlement of trade disputes in these areas. As both an importer and exporter of intellectual property, Canada has been able to contribute to a balanced agreement acceptable to developed and developing countries.

In Geneva, countries have reached agreement in four major areas: agriculture, intellectual property, textiles and clothing, and safeguards. This agreement will now permit the implementation of the improvements to the GATT trading system provisionally agreed at the Montreal Ministerial Meeting.

Mr. Crosbie said, "I am extremely pleased we are now in a position to move forward with negotiations. For Canada, as host, the discussions last December in Montreal were often somewhat frustrating. Nevertheless, we see now that the real groundwork for this successful resolution in Geneva was established in Montreal. We are, therefore, delighted to have been able to play a key role in contributing to this positive outcome."

This agreement covers dispute settlement, where procedures were achieved to streamline the establishment of panels and the adoption of panel reports. The improvements agreed upon also call for a more rapid dispute settlement process. In addition, a trade policy review mechanism is to be established to provide a greater role for the GATT in the examination of the trade policies and practices of member countries.

Minister Crosbie noted: "Since the Montreal Meeting, I have met with U.S. Trade Representative, Carla Hills, U.S. Agriculture Secretary, Clayton Yeuter, EC Commissioner, Frans Andriessen, Japanese Ministers and Cairns Group Ministers. In addition, I have had discussions with Arthur Dunkel, Director General of GATT, to discuss the constructive resolution of the process begun in Montreal. I must say I am extremely pleased and impressed with his management of the issues and his contribution to the successful conclusion of the mid-term review, as well as with his close cooperation with Canadian negotiators this week."

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Details of the package of results as they relate to Canada's objectives for the Round are contained in the attached annex.

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URUGUAY ROUND  
OF  
MULTILATERAL TRADE NEGOTIATIONS

CANADA  
AND THE  
MID-TERM PACKAGE OF RESULTS

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CANADA'S OVERALL OBJECTIVES IN MTN

- . to improve market access for Canadian exports
- . to seek clear and equitable GATT rules for agricultural products and open up world markets
- . to reform the GATT system, through:
  - better dispute settlement mechanism
  - multilateral surveillance of national trade policy developments
  - closer relations between the GATT and other major international organizations
- . to develop new trade rules in areas not previously covered in the GATT, eg.:
  - trade in services
  - trade related intellectual property
  - trade related investment

MARKET ACCESS

Canadian Objectives in MTN

- . substantial reduction in tariff and non-tariff restrictions, particularly those affecting resource-based products
- . enhanced security of access through binding of tariffs and non-tariff barriers against further increases
- . to open up restrictive government procurement

Achievements at Mid-Term Review

Tariffs:

- agreement on overall target for reductions of 35% - 40%, with gradual phasing
- agreement that there will be a substantial increase in bindings
- agreement to seek substantial reduction or elimination of high tariffs, tariff peaks, tariff escalation and low tariffs

Non Tariff Measures:

- agreement that trade liberalization should be substantial, building on existing Non-Tariff Measure Codes (e.g. Government Procurement and Technical Barriers to Trade)

Natural Resource-Based Products:

- liberalization of processed and semi-processed products

Textiles and Clothing

- to begin negotiations on modalities for new trade regime under GATT after expiry of current MFA
- preserve resource to existing MFA while negotiations underway

Tropical Products:

- package of tariff concessions by all major countries of benefit to developing countries
- Canadian contribution covers annual imports of some \$150 million. Once Canadian offer implemented, over 98% of Canada's \$1.2 billion of imports of tropical products will enter duty free or at special concessions rates

AGRICULTURE

Canadian Objectives in MTN

- . long-term reform including
  - substantial liberalization of tariffs and non-tariff barriers
  - substantial reduction of trade distorting subsidies
  - new GATT rules applicable to all countries
  - framework to prevent misuse of sanitary and phytosanitary measures
- . short term measures contingent on real progress on long-term reform

Achievements at Mid-Term Review

- . Long-Term Objectives:
  - to establish a fair and market-oriented agricultural system
- . Scope and aim of Uruguay Round:
  - to seek substantial and progressive reduction in import access, subsidies and export assistance
  - to establish GATT rules to be equally applicable to all members of GATT
  - framework for sanitary and phytosanitary regulations to ensure that measures are consistent with sound scientific evidence
  - implementation of first tranche in 1991
- . Improve environment for successful negotiations
  - undertaking to ensure that current domestic and export support and protection levels are not exceeded
  - undertaking to operate within existing legislation and programs and existing GATT rights and obligations
  - intention to reduce support and protection levels for 1990



TRADE RULES

Canadian Objectives in MTN

- . to improve GATT Code on Subsidies and Countervail
- . to develop more effective multilateral rules on the use of "safeguard measures" (eg. emergency import relief measures, voluntary export restraints and orderly marketing arrangements)

Achievements at Mid-Term Review

- . agreement on a negotiating framework for a balanced and comprehensive review of the existing GATT rules
- . agreement on a work program for substantive negotiations to begin in June 1989 to develop a comprehensive agreement on safeguards to bring all such measures under international discipline

INSTITUTIONAL REFORM

Canadian Objectives in MTN

- . to streamline and strengthen the GATT dispute settlement system
- . to provide for multilateral surveillance of national trade policies and practices
- . to enhance the relationship of the GATT with international institutions responsible for monetary and financial matters

Achievements at Mid-Term Review

Dispute Settlement:

- agreement on:
  - . procedures for conciliation, mediation and voluntary binding arbitration procedures
  - . greater certainty of access to the independent panel procedure, including standard terms of reference and time limits on the selection of panelists
  - . time frame of 15 months to complete consultative and panel proceedings in normal cases

Functioning of the GATT System:

- agreement on the immediate establishment of a "Trade Policy Review Mechanism" on a provisional basis
- agreement that CONTRACTING PARTIES meet at the Ministerial level at least once every two years
- agreement that the Director-General of the GATT approach the heads of the IMF and the World Bank, to explore ways to achieve greater coherence in global economic policy making

TRADE IN SERVICES

Canadian Objectives in MTN

- . to develop a framework of multilateral rules for trade in services, comparable to the GATT rules for trade in goods
- . to reduce existing restrictions on Canadian exports of services to foreign markets

Achievements at Mid-Term Review

Trade in Services:

- agreement to endeavour to assemble by the end of 1989 the elements of a multilateral framework for trade in services. Elements considered relevant include:
  - . transparency with respect to all laws, regulations and administrative guidelines as well as international services agreements
  - . procedures for progressive liberalization of trade in services
  - . national treatment, i.e., the treatment of foreign services or services providers as compared to domestic services or services providers
  - . non-discrimination (most favoured nation principle)
  - . safeguards for "exceptional" circumstances
  - . coverage of the agreement, including sectors and factors of production.

OTHER NEW ISSUES

Canadian Objectives in MTN

Trade Related Intellectual Property Rights:

- to enhance protection of intellectual property levels
- to remove discriminatory practices on enforcement
- to bring within GATT dispute settlement system

Trade Related Investment Measures:

- support establishment of GATT disciplines on trade distorting investment related measures

Achievements at Mid-Term Review

Trade Related Intellectual Property Rights:

- agreement on the substantive issues to be negotiated including appropriate standards, stronger enforcement and effective dispute settlement
- agreement that the negotiation will aim to reduce distortions and impediments to trade
- agreement to develop a multilateral framework of principles, rules and disciplines for trade in counterfeit goods

Trade Related Investment Measures:

- agreement to carry forward negotiations on the basis of the identification of those measures with trade distorting effects with a view to elaborating improved or new disciplines where the existing GATT rules may not be adequate

URUGUAY ROUND  
TRADE NEGOTIATIONS COMMITTEE  
CHAIRMAN'S TEXTS  
ON

AGRICULTURE, TRADE-RELATED ASPECTS  
OF INTELLECTUAL PROPERTY RIGHTS,  
TEXTILES AND CLOTHING AND SAFEGUARDS

AGREED IN GENEVA  
APRIL 8, 1989

Texts provided by the  
Department of External Affairs

7.4.1989  
4 p.m.

AGRICULTURE

CHAIRMAN'S TEXT

1. The Negotiating Group on Agriculture has made substantial progress in elaborating the elements of the negotiating proposals and submissions under the subsequent negotiating process. The stage has now been reached in this process where the general direction and procedures to be followed in the final phases of the negotiations need to be defined in operational terms so as to provide a framework for liberalizing trade in agriculture and bringing all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines.

2. There is a broad measure of consensus that agricultural policies should be more responsive to international market signals in order to meet the objective of liberalization of international trade and that support and protection should be progressively reduced and provided in a less trade-distorting manner.

3. The particular needs and conditions of developing countries should be fully taken into account at all stages of the negotiation in conformity with the principle of special and differential treatment to developing countries as laid down in the Punta del Este Declaration.

4. Ministers accordingly endorse a framework approach comprising the following interrelated long- and short-term elements and arrangements on sanitary and phytosanitary regulations.

A. LONG-TERM ELEMENTS AND GUIDELINES FOR REFORM

5. Ministers agree that the long-term objective of the agricultural negotiations is to establish a fair and market-oriented agricultural trading system and that a reform process should be initiated through the negotiation of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines.

6. The above-mentioned long-term objective is to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time, resulting in correcting and preventing restrictions and distortions in world agricultural markets. This goal will be realized through negotiations on specific policies and measures, through the negotiation of commitments on an aggregate measurement of support, the terms of which will be negotiated, or through a combination of these approaches. Credit will be given for measures implemented since the Punta del Este Declaration which contribute positively to the reform programme.

7. In realizing the long-term objective stated above, the strengthened and more operationally effective GATT rules and disciplines, which would be equally applicable to all contracting parties, and the commitments to be negotiated, should encompass all measures affecting directly or indirectly import access and export competition, in particular:

Import access

- quantitative and other non-tariff access restrictions, whether maintained under waivers, protocols of accession or other derogations and exceptions, and all measures not explicitly provided for in the General Agreement, and the matter of conversion of the measures listed above into tariffs;
- tariffs, including bindings;

Subsidies and export competition

- internal support measures (including income and price support) which directly or indirectly affect trade;
- direct budgetary assistance to exports, other payments on products exported and other forms of export assistance.

Export prohibitions and restrictions

- export prohibitions and restrictions.

8. Ministers agree that:

- special and differential treatment to developing countries is an integral element of the negotiations particularly on the strengthened and more operationally effective GATT rules and disciplines;
- government measures on assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries;
- ways should be developed to take into account the possible negative effects of the reform process on net food importing developing countries.

Non-trade concerns

9. Participants recognize that factors other than trade policy are taken into account in the conduct of their agricultural policies. In the negotiations to achieve the long-term objective, account will be taken of proposals aimed at addressing participants' concerns such as food security.

Implementation

10. Implementation of the first tranche of agreed commitments on the long-term reform programme shall take place in 1991.



## Work Programme

11. Participants are invited to advance by December 1989 detailed proposals for the achievement of the long-term objective, including the following:

- the terms and use of an aggregate measurement of support;
- strengthened and more operationally effective GATT rules and disciplines;
- the modalities of special and differential treatment for developing countries;
- sanitary and phytosanitary regulations and the work programme foreshadowed in (C) below;
- tariffication, decoupled income support, and other ways to adapt support and protection;
- ways to take account of the possible negative effects of the reform process on net food-importing developing countries.

12. Not later than the end of 1990, participants will agree on the long-term reform programme and the period of time for its implementation. Soon thereafter, taking into account the different national procedures for implementation of international agreements, participants will notify their plans for meeting the obligations and commitments agreed upon.

## Surveillance

13. The reform programme will be subject to multilateral surveillance and other procedures necessary to ensure full compliance with commitments made in the negotiations.

B. SHORT-TERM ELEMENTS

14. With effect from the adoption of this decision and continuing until the formal completion of these negotiations on agriculture by December 1990, participants, within the scope of their existing legislation and their existing GATT rights and obligations, undertake to ensure that current domestic and export support and protection levels in the agricultural sector are not exceeded. Participants undertake to ensure that tariff and non-tariff market access barriers in force at the date of this decision are not subsequently intensified in relation to imports of agricultural products nor extended to additional products, including processed agricultural products. Participants shall be deemed to be in compliance with this undertaking so long as the access opportunities granted to individual products in 1989 and 1990 are not less than those granted on average in 1987 and 1988. Participants shall also ensure that support prices to producers, to be expressed in national currencies\*, that are set or determined directly or indirectly by governments or their agencies are not raised above the level prevailing at the date of this decision or otherwise take actions to ensure that the current levels of support for the commodity concerned are not increased.

15. Participants state their intention to reduce support and protection levels for 1990. This could be done either by using an AMS or by taking specific policy measures. They will notify the undertakings for fulfilling this commitment by October 1989.

Reporting requirements

16. Participants agree to report on their compliance with the above undertakings at six-month intervals. The first report shall be submitted not later than 1 December 1989.

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\*ECU in the case of the EEC

17. Any participant may raise any matter relating to or affecting the observance of the commitments at a meeting of the Negotiating Group on Agriculture.

18. In exceptional circumstances\* a participant can be relieved by the Negotiating Group on Agriculture of commitments under the above undertakings.

#### Developing countries

19. Developing countries are not expected to subscribe to the commitments under B.

#### C. SANITARY AND PHYTOSANITARY REGULATIONS

20. Ministers endorse harmonization of national regulations as a long-term goal and a work programme embodying the following objectives:

- (1) develop harmonization of sanitary and phytosanitary regulations and measures, on the basis of appropriate standards established by relevant international organizations including the Codex Alimentarius Commission, the International Office of Epizootics and the International Plant Protection Convention;
- (2) strengthen Article XX so that measures taken to protect human, animal or plant life or health are consistent with sound scientific evidence and use suitable principles of equivalency;
- (3) review existing notification and counter-notification procedures to ensure transparency and the existence of an effective

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\*For particular countries excessive rates of inflation will be taken into account.

notification process for national regulations and bilateral agreements;

- (4) develop a consultative process which ensures transparency and allows opportunity for the bilateral resolution of disputes;
- (5) improve the effectiveness of the multilateral dispute settlement process within the GATT in order to provide the necessary input of scientific expertise and judgment, relying on relevant international organizations;
- (6) assess the possible effects on developing countries of the GATT rules and disciplines for sanitary and phytosanitary measures, and evaluate the need for technical assistance;
- (7) examine the possibilities for implementation of the above programme in the context of short-term elements.

7.4.89  
19.30

TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS,  
INCLUDING TRADE IN COUNTERFEIT GOODS

CHAIRMAN'S TEXT

1. Ministers recognise the importance of the successful conclusion of the multilateral negotiations on trade-related aspects of intellectual property rights, including trade in counterfeit goods, that were initiated by the decision of the CONTRACTING PARTIES at Punta del Este.
2. Ministers recall the relevant provisions of the Punta del Este Declaration, including the objective of strengthening the role of GATT and of bringing about a wider coverage of world trade under agreed, effective and enforceable multilateral disciplines, as well as the general principles governing the negotiations set out in I.B of the Punta del Este Declaration, notably paragraphs (iv)-(vii).
3. Ministers agree that the outcome of the negotiations is not prejudged and that these negotiations are without prejudice to the views of participants concerning the institutional aspects of the international implementation of the results of the negotiations in this area, which is to be decided pursuant to the final paragraph of the Punta del Este Declaration.
4. Ministers agree that negotiations on this subject shall continue in the Uruguay Round and shall encompass the following issues:
  - (a) the applicability of the basic principles of the GATT and of relevant international intellectual property agreements or conventions;
  - (b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights;

- (c) the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems;
- (d) the provision of effective and expeditious procedures for the multilateral prevention and settlement of disputes between governments, including the applicability of GATT procedures;
- (e) transitional arrangements aiming at the fullest participation in the results of the negotiations.

5. Ministers agree that in the negotiations consideration will be given to concerns raised by participants related to the underlying public policy objectives of their national systems for the protection of intellectual property, including developmental and technological objectives.

6. In respect of 4(d) above, Ministers emphasise the importance of reducing tensions in this area by reaching strengthened commitments to resolve disputes on trade-related intellectual property issues through multilateral procedures.

7. The negotiations shall also comprise the development of a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods.

8. The negotiations should be conducive to a mutually supportive relationship between GATT and WIPO as well as other relevant international organisations.

8 April 1989  
(12.00)

TEXTILES AND CLOTHING

CHAIRMAN'S TEXT

1. Ministers recognize that the sector of textiles and clothing is of great importance for the economies of many countries and particularly for the economic and social development of many developing countries and for the expansion of their export earnings.
2. Ministers, therefore, recognize that negotiations in this sector are one of the key elements in the Uruguay Round, and should contribute to further liberalization of trade.
3. With a view to achieving substantive results in this area of the negotiations, and bearing in mind the general principles governing the negotiations and the organization thereof as set out in Part I of the Punta del Este Declaration, Ministers agree that:
  - (a) substantive negotiations will begin in April 1989 in order to reach agreement within the time-frame of the Uruguay Round on modalities for the integration of this sector into GATT, in accordance with the negotiating objective;
  - (b) such modalities for the process of integration into GATT on the basis of strengthened GATT rules and disciplines should inter alia cover the phasing out of restrictions under the Multi-fibre Arrangement and other restrictions on textiles and clothing not consistent with GATT rules and disciplines, the time-span for such a process of integration, and the progressive character of this process which should commence following the conclusion of the negotiations in 1990;
  - (c) to this end participants are invited to put forward additional proposals, preferably not later than 30 June 1989;
  - (d) special treatment should be accorded to the least-developed countries.
4. To provide a positive climate for these negotiations, and without prejudice to the existing rights and obligations, and reaffirming their commitments embodied in Part I.C of the Punta del Este Declaration, all participants shall endeavour to improve the trade situation paving the way for the integration of the textiles and clothing sector into GATT.

8.4.89  
12.00

SAFEGUARDS

CHAIRMAN'S TEXT

Ministers stress the importance of concluding a comprehensive agreement on safeguards based on the basic principles of the General Agreement which would aim to re-establish multilateral control over safeguards, inter alia, by eliminating measures which escape such control. Ministers recognize that such an agreement is vital to the strengthening of the GATT system and to progress in the Multilateral Trade Negotiations. Accordingly, they:

- (a) take note of the in-depth examination of the specific elements which has contributed to a better understanding of the whole issue;
- (b) recognize that, because of the interrelationships between the elements, substantive agreement cannot be reached on individual elements in isolation;
- (c) recognize that safeguard measures are by definition of limited duration;
- (d) in the light of the decision of the Negotiating Group, authorize its Chairman, with the assistance of the secretariat and in consultation with delegations, to draw up a draft text of a comprehensive agreement as a basis for negotiation, without prejudice to the right of participants to put forward their own texts and proposals, preferably before the end of April 1989; and
- (e) agree to begin negotiations on the basis of the draft text by June 1989 at the latest.