

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

91/65

CHECK AGAINST DELIVERY

NOTES FOR A STATEMENT BY

THE HONOURABLE MICHAEL WILSON

MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY AND

MINISTER FOR INTERNATIONAL AFFAIRS,

COMMENTING ON THE

MULTILATERAL TRADE NEGOTIATIONS PROCESS

**OTTAWA, Ontario
December 23, 1991**

I want to make clear where we are with respect to the Uruguay Round. What we have in the Dunkel text is the final stage in a process that has been under way for five years.

The text must now be evaluated by all 108 General Agreement on Tariffs and Trade (GATT) members. The timetable we are now on will require a few more months of negotiations.

There is no question of either acceptance or rejection in principle of the Dunkel text. That would be premature. The text is far too complex, and it requires careful examination in the coming weeks.

We, along with our trading partners around the world, now have to take the final important steps toward reaching a more open global marketplace and a new, modernized system of international trade rules that will equip the world economy to face the challenges of the next century.

A successful outcome of the Uruguay Round is important to Canada. As a trading nation that depends on trade for one-third of its jobs and one-quarter of its gross domestic product, Canada must have open and fair access to world markets.

I want to emphasize that the draft agreement contains many potential benefits for Canada including trade rules that will reduce harassment of Canadian exporters; better access to world markets for Canadian resource and high-tech products and services; and an improved dispute settlement system.

Even in the area that has been most controversial -- agriculture -- there are important benefits. The text would impose significant new disciplines and reductions on the use of export subsidies, tariffs and non-tariff barriers. If put into effect, we expect that this would have a positive impact on prices for grains and several other products, which would be beneficial to producers in all regions.

Apart from agriculture, the balance of articles and comment in the international press has been positive. There is a recognition that some important breakthroughs are within our grasp. A number of press articles from the U.S. and Europe have commented that extending GATT disciplines to services and developing a clearer definition of subsidies would truly be milestones. I would agree with those conclusions.

The draft text also forces us to face some difficult issues. A number of Uruguay Round participants have noted their concerns, especially in the area of agriculture. Canada too has concerns, particularly with reference to the text's failure to clarify Article XI. The Dunkel proposal envisages other means which could be used to support our supply management system. We have many questions on whether the proposals would allow us to meet the Government's objective of maintaining supply management

systems. At this point we need to study the technical details before we can develop answers to these questions.

I also must note that the negotiations on the specifics of reducing barriers to trade, including tariff and non-tariff barriers for both goods and services, still have to be worked out, and they are not expected to be concluded until late March.

Where do we go from here? We recognize that it's extremely important to achieve a positive outcome of the Uruguay Round, but a lot of hard, detailed analysis must still be done before we can take any decisions.

As we've done since the beginning of this process, we will have to consult the provinces and the private sector to ensure that the full implications of the Dunkel text are analyzed and understood. That process has started today and I expect a number of meetings will be required. As I've said, this process is too important to Canada and to the world economy to take snap decisions.

Canada won't be in a position to take those definitive decisions for several weeks.

We will be giving the draft text the careful and serious consideration that Mr. Dunkel has asked all 108 countries in the GATT to carry out between now and January 13.