

STATEMENT DISCOURS



STATEMENT BY THE
HONOURABLE GERALD REGAN,
MINISTER OF STATE
(INTERNATIONAL TRADE),
ON BEHALF OF CANADA
AT THE 38TH SESSION OF THE
CONTRACTING PARTIES
OF THE GATT,
GENEVA,
NOVEMBER 25, 1982

Mr. Chairman, Excellencies, Ladies and Gentlemen:

The Contracting Parties' decision a year ago to meet at the ministerial level was a wise decision. The deterioration in the economic welfare of nations during the past twelve months has elevated the urgency of our deliberations.

On behalf of Canada, I want to associate myself with many of the preceding speakers in their concerns for the integrity and future of the multilateral trading system which has been painstakingly built up over the years.

In the present difficult economic situation each of us is faced daily with strong pressure to impose trade restrictions or to retaliate in response to trade restrictive actions by others. As earlier speakers have pointed out, the multilateral trading system, which is based on the GATT, is under strain.

As ministers we must ask ourselves whether what has been achieved should be preserved. If we believe that the phenomenal growth in world trade which has accompanied trade liberalization has benefited our economies, if we believe that enhanced trading opportunities stimulate economic development, not least for developing countries, if we believe that consumers have benefited and that standards of living for all of us have been improved -- then we have a real stake in making a resolute effort to maintain what we have, and to construct for the future. It is evident from our discussions that we all do share those beliefs. Therefore we must act to protect the system. The GATT rules serve to protect the small and undeveloped against the large and powerful.

It is no solution to put our heads in the sand and ignore the proliferation of protectionist actions and arrangements outside the GATT. If we do so, we steadily diminish the portion of trade affected by our rules. We decrease the impact and effectiveness of our compact for world trade and the jungle of protectionism will encroach further on the improved terrain of multilateral trade.

It is crucial that we leave this meeting with a strong shared commitment to the open multilateral trading system -- a firm resolve to resist protectionism. To make this political

.../2

commitment effective, we must bring the full range of trade restrictive measures within GATT disciplines. That will be the measure of our determination to resist protectionism. We need a safeguards agreement which, while emphasizing the most favoured nation principle, allows, in exceptional circumstances, for selective measures on a consensual basis, subject to effective disciplines. Without meaningful progress on safeguards, the commitments set out in paragraphs 7 (i) and (ii) of the draft political declaration we have before us will not be sustainable and are not realistic.

What else is required to maintain our relevance?

Canada sees an effective and equitable dispute settlement system, together with political will to respect the agreed rules, as vital to the maintenance of the proper balance between rights and obligations of Contracting Parties.

A substantive work programme on trade in agriculture is essential. We must bring direct and indirect subsidies under greater international discipline. We need to provide a greater degree of predictability of terms of access to markets. A firm commitment is essential to lay the basis for decisions in the near future. We perceive the problems of agriculture to be shared among the major players but I have to believe that all are concerned with aspects of the status quo.

Firm resolution of these key issues is essential to each Contracting Party, not least the developing countries.

In addition, we must have a GATT work programme which addresses tariff and non-tariff barriers to trade. In this regard, Canada wants an examination of trade barriers in the fisheries sector to provide a basis for future negotiations to improve access to markets for fisheries products. We also attach high priority to work aimed at improving terms of access to markets for petrochemicals, and processed forest, metal and mineral products.

If the GATT is to remain relevant, we should also be prepared to address new areas. We see a need for a sensible work programme on trade in services. This is a complex area but we consider it useful and important to examine it in the GATT without commitment as to what might follow. A large and growing percentage of trade is in services. Is it logical to ignore its existence or better to determine what is involved by an appropriate study?

.../3

We must seek to strengthen the GATT non-tariff measures agreements already in place. They have opened up important new trading opportunities. We should give priority to initiating negotiations to broaden and improve the agreement on trade in civil aircraft. Similarly, we need to initiate the preparatory work for negotiations under the GATT Agreement on Government Procurement.

The GATT work programme must be responsive to the needs of both developed and developing countries. Over time, we expect a willingness on the part of the most advanced developing countries to assume obligations commensurate with the benefits derived from the system.

Finally we must ensure ongoing ministerial involvement in the work of the GATT. Certainly we should look forward to another ministerial meeting in the not too distant future rather than allowing another long interval.

In the remaining hours of this week parties must display the constructive flexibility necessary to achieve agreement on measures for our collective advancement. This will require the generosity of spirit to move toward our neighbours' point of view. In the interest of world trade and a return to prosperity, Canada asks that approach.

Thank you.