



No. 288

November 17, 1989.

MINISTERIAL MEETINGS IN JAPAN YIELD PROGRESS
FOR URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS

TOKYO -- International Trade Minister John C. Crosbie today wound up five days of intensive meetings with trade ministers from around the world. These meetings focused on progress in the Uruguay Round of Multilateral Trade Negotiations and the steps which need to be taken to bring the Round to a successful conclusion in December 1990.

From November 12-14, in Hakone, about 100 kilometres west of Tokyo, Mr. Crosbie met with U.S. Trade Representative Carla Hills, European Community Vice-Chairman Frans Andriessen, and Japan's Minister of International Trade and Industry, Hikaru Matsunaga.

The four Ministers -- who form the Quadrilateral group -- agreed on the need to intensify the momentum of the negotiations and to have all the detailed negotiating papers tabled by the end of this year.

Mr. Crosbie underlined the urgent need to get on with the detailed, difficult negotiations on agriculture, resource products, and subsidy-countervail issues early in the new year. He welcomed the commitment by the EC that it would soon table its reform proposal on agriculture, and the announcement by the United States that it would soon table its position on subsidies and countervail.

Following the Hakone meeting, Mr. Crosbie joined representatives from 26 developed and developing countries in Tokyo for an informal Trade Ministers' meeting.

"This meeting has made great progress in bringing the developing countries fully into the global push for a successful Round of negotiations, a Round which promises to improve world trade and fuel economic growth," Mr. Crosbie said.

At the meeting, Mr. Crosbie pressed Canadian views in four key areas: agriculture, market access, the rules of the General Agreement on Tariffs and Trade (GATT), and the so-called "new areas" for the GATT -- Services, Trade-Related Investment Measures (TRIMs), and Trade-Related Intellectual Property (TRIPs).

.../2

Agriculture

On agriculture, Mr. Crosbie said that Canada is working hard with its partners in the Cairns Group of agricultural exporters to produce a comprehensive detailed reform proposal. He and other Cairns Group Ministers will meet in Thailand next week to settle this proposal.

Mr. Crosbie recalled that at last April's Trade Negotiations Committee meeting in Geneva, which completed the Mid-Term Review begun in Montreal four months earlier, it had been agreed that "the long-term objective is to establish a fair and market-oriented agricultural trading system." This was a hard-won milestone.

"We know that trade distortions and restrictions cannot all be removed in this Round, but must make good on our common commitment to make substantial progress in that direction," Mr. Crosbie told his colleagues.

He added that "the new GATT rules will need to continue to support domestic policies which contribute to avoiding production surpluses."

He stressed the need for an end to "the devastating effects of export subsidies ... Improved market access without fairer competition will not be credible and will not be sustainable. The new trade rules must be enforceable, and must free us from the constant threat of unilateral action."

In emphasizing the need for progress on agricultural trade, Mr. Crosbie said: "Who will believe that it would be wise to extend the scope of the GATT to areas like trade-in-services and TRIPs, if the basic rules of fair, open and non-discriminatory competition do not fully apply to agricultural products or to all countries?"

Market Access

Commenting on the lack of agreement to date on how to approach the detailed phase of negotiations on tariffs and non-tariff barriers (NTBs) to achieve the trade liberalization objectives set out at the Montreal Ministerial Meeting last year, Mr. Crosbie said: "With just a year left in the negotiations, we cannot afford to waste more time on procedural debates on where and how to negotiate. We need to get down to the details of the real bargaining."

He urged the other countries to bridge the differences that are impeding progress in this area. "We believe it would be practical and reasonable to adopt an approach of using a tariff formula supplemented by bilateral requests and offers which would go further than the formula in reducing tariffs on individual products or eliminating non-tariff barriers."

Mr. Crosbie welcomed the determination of participants to resolve this before the end of the year and to consider seriously an American proposal to table offers by January 30, 1990.

"Canada's objective in looking at the market-access issues and opportunities before the MTN has been to develop an approach that would lead to the widest, most comprehensive and balanced market-access results possible for both tariffs and NTBs, including restrictive government procurement practices. This is an area of primary importance to Canada. We have seen the benefits of increased market access negotiated in earlier GATT rounds."

GATT Rules and Disciplines

"From a Canadian perspective, there are three essential areas on which the negotiations must succeed and provide comprehensive and balanced solutions: subsidies and countervail, safeguards, and dispute settlement", Mr. Crosbie said. "The results in these areas will not only determine the fate of the GATT, they will also determine our capacity to maintain a more predictable trading environment in which our businesses can plan and invest with confidence."

"Canada has put forward a comprehensive proposal on subsidies and countervailing measures and we attach a high priority to achieving a major reform of the GATT rules in this area. We want to create a system of agreed rules so that we will not live under the constant threat of countervail or of unilateral determination of what constitutes fair and unfair government assistance."

On the question of what constitutes "fair", Mr. Crosbie said : "Constraints on subsidies must be accompanied by equivalent constraints on the countervailing procedures, which must include some reasonable understandings on the conditions under which legitimate areas of government assistance for regional development and research and development, for example, should not be regarded as trade-distorting."

He welcomed the United States' intention to table its proposal at an early date and to seek to complete the negotiations in this area by next July.

"The whole system of GATT rules, whether they deal with fair or unfair trade conditions, must be clear and be effectively enforceable. But it must operate fully within the principles of the multilateral trading system. We need to build on our achievements in Montreal on dispute settlement procedures, to ensure that for all matters subject to the Uruguay Round agreements, there will be no room for unilateral interpretations of our respective rights and obligations."

New Areas (Services, TRIPs, TRIMs)

Mr. Crosbie said Canada believes that good progress has been made in all the new areas since the Mid-Term Review. "We must now ensure that all our negotiating proposals are circulated as early as possible. We will need to direct our negotiators to begin to develop common negotiating texts early in the new year."

"From a Canadian perspective, a balanced and successful outcome on new areas in the MTN will require substantial and equitable results in the other areas, particularly market access for resource-based products and agriculture."

Mr. Crosbie added that, "the freer flow of goods, services, technology and investment capital must constitute the four pillars of the new GATT system, as they are the pillars of our growing economic interdependence."

He emphasized the need for all GATT countries to explain better the mutual benefits countries have experienced from participation in the GATT and the economic growth which can be expected to result from a stronger, more liberalized multilateral trading system.

"As Canadians, we have a keen awareness of the importance of trade in our economic future. The best means to sustain and enhance our success in sectors from the fishery to high-tech, from telecommunications to pulp and paper, is to work for a revitalized GATT system."

For more information, media may contact:
Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874