Opening of the Kennedy Round

STATEMENT MADE BY THE HON. M.W. SHARP, M.P.,
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OF CANADA
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At the 1963 ministerial meeting, I expressed Canada's strong support for the decision to initiate in May of this year major negotiations, directed to the significant liberalization of world trade. I made it clear that Canada, one of the world's major trading nations, attached the highest importance to the success of the proposed Kennedy Round. Our conviction of the need for these negotiations has strengthened with the passage of time. Canada intends to play a full part in ensuring that the negotiations meet the objectives laid down by Ministers last year. We believe that the negotiations should lead to the reduction of trade and tariff barriers for both industrial and agricultural products. We consider that they should cover all forms of trade restrictions. We regard them as providing important and timely opportunity to help resolve the trade and economic problems of developing countries. We in Canada see the Kennedy Round as an occasion to make significant progress in carrying forward the broad task now before the United Nations Trade and Development Conference.

Now, we are launching what we hope will be the most important trade negotiation since the end of the Second World War. These negotiations are inspired not only by the need for further trade liberalization, but also by the knowledge of what freer world trade can contribute to the strengthening of friendly links among the nations. It was President Kennedy who took the initiative, first with the American Congress and people and then internationally to make possible the major assault on trade barriers in which we shall now engage.

Last year we set the broad framework for tariff negotiations on the basis of equal linear tariff reductions with a bare minimum of exceptions. It was recognized, however, that for certain countries, of which Canada is one, the application of such a formula would not yield reciprocity because of special
economics or trade structures. It was agreed that such countries should participate on the basis of the negotiation of a balance of advantages through tariff concessions by them of equivalent value. This is what Canada intends to do. I wish to reaffirm that from the beginning Canada will be a full and active participant over the whole range of these negotiations. We regard the Kennedy Round as an unique opportunity to help raise world trade to new levels and thus to contribute to higher levels of economic activity and employment in our countries. We see them as a stimulus to a more efficient world economy. Canada will seek improved terms of access for Canadian products in all markets and we are prepared to pay fully in exchange for benefits received.

Since last May, in pursuance of the directives set by Ministers, intensive preparations have been under way here in Geneva with a view to setting the ground rules and procedures for these negotiations. Canada has been involved in all phases of this preparatory work. Nobody would have expected easy or simple solutions in such a major undertaking and one in which there are so few, if any, precedents. The great complexity of the issues before us has been apparent for some time. Whether it be with regard to the rules for tariff reductions; the treatment of agricultural products; non-tariff barriers; or with respect to the participation of less-developed countries, new ground is being broken. While there is agreement among all countries concerned with respect to the objectives to be attained, there are still important differences of approach and of policy in many of these areas. These differences must be resolved through patient discussion, exploration and negotiation. Agreement has already been reached on a large number of these issues. However, for certain important issues, such as tariff disparities and the agricultural negotiations, divergences have been identified but agreement has proved elusive. On welcoming and endorsing the progress already made, it will be our task at this ministerial meeting to provide the necessary guidance and political will to enable the outstanding issues to be resolved and so ensure that negotiations go forward on the broadest possible basis, and yield the important benefits which we all seek.
While the preliminary discussions were in progress in Geneva, we began our preparatory work in Canada. With my colleagues concerned I emphasized to Parliament and throughout the country how important was Canada's decision to support these negotiations. I can assure you that the prospect of the Kennedy Round has aroused keen interest in all business circles and in all parts of Canada. Early this year we established a special committee - the Canadian Trade and Tariff Committee - to receive and examine submissions on these negotiations from interested sectors in Canada. The Committee has hundreds of submissions before it. I am satisfied that our work will enable us to keep step with our partners in the various stages of the negotiations. Our Committee is presided over by Mr. Norman Robertson, one of the most distinguished government officials in Canada, and Mr. Hector McKinney who took part in the earliest GATT negotiations. Mr. Robertson has also been designated by the Government to head our negotiating team.

In conclusion, Mr. Chairman, I have referred to the differences of approach and of policy which still remain. These differences must be resolved in order to ensure attainment of the objectives on which we have already agreed. There are difficulties, of course, and much remains to be done. But this is inevitable when far-reaching changes are envisaged. Problems arise from the very importance of our task and the fact that the results of these negotiations will affect the economic life of our nations. We must overcome them.

It is our duty, as Ministers of the participating countries, to ensure that the necessary solutions are found in time, so that the negotiations may yield the results hoped for by all countries - whether developing countries or industrialized ones.