GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY THE HON. MITCHELL W. SHARP M.P.
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CONCERNING NEGOTIATIONS ON INDUSTRIAL AND AGRICULTURAL PRODUCTS
ON 18 MAY 1963

We are now at a crucial point in our deliberations and it is for each of us to declare where his country stands. Canada strongly supports the proposal for a major round of negotiations leading to a general lowering of trade barriers, and to this end the convening of a negotiating conference as early as practicable in 1964. The United States initiative which makes this possible is both courageous and imaginative. It is warmly welcomed by Canada.

The objective, supported yesterday so strongly by the United Kingdom, should be a maximum reduction in trade barriers on the broadest possible basis. The negotiations must deal with all sectors of trade: primary materials, industrial goods and agricultural products. All countries ranging from the most highly industrialized through the intermediate group to economies only now embarking on industrial development must be able to play their appropriate parts.
We in Canada agree that the old commodity by commodity technique of negotiation is not likely to yield adequate results; a formula approach would be better. It will be essential, in any event, to ensure that the negotiating procedures allow for maximum participation and permit of overall reciprocity for each participating country. In this connexion, it will be recalled that at the last meeting of Trade Ministers, it was recognized that the negotiating formula would need to take into account the differing characteristics of the trade, tariff levels and economic structures of individual countries and the problems that arise for countries exporting only a few commodities.

We agree that the proposal made by the United States for equal linear tariff cuts with limited exceptions is an excellent starting point for these negotiations. It affords a basis for maximum results between highly industrialized countries which have a wide range of export and import interests and highly diversified economic structures.

The investigations we have made so far suggest that for a country in Canada's position with its limited domestic market, its patterns of production and trade and its relatively narrow range of exports, it is difficult to find any single formula applicable to all countries which would afford for Canada mutuality of trade and other economic benefits. We can however say here and now, firmly and unequivocally, that Canada will play its full part in the forthcoming negotiations and make substantial concessions in the Canadian tariff commensurate with the benefits we receive.

As I had indicated earlier, negotiations with respect to agricultural products must be an integral part of the negotiations. Canada is an important agricultural producer and exporter, and for us acceptable conditions of access to world markets for agricultural products must be achieved in any meaningful negotiations. We intend to play an active rôle in the further discussions which will be necessary to work out the ways in which the various elements of agricultural trade can be brought effectively into the negotiations and the desired results achieved. So far as cereals are concerned, we support the reconvening of the Cereals Group and the negotiation of satisfactory interim and long-term arrangements for these important agricultural products. In this a most important and, we are confident, constructive element will be the attitude of the United Kingdom, one of the world's largest import markets. We shall look also for the co-operation of the European Economic Community as well as our fellow exporters.

As I said yesterday, the negotiations must also provide increased export opportunities for the less-developed countries. Canada expects to offer concessions on products of interest to the less-developed countries and does not expect full reciprocity or, indeed, very much payment at all from those countries not able to pay.
Canada has a vital stake in the expansion of international trade. We are prepared to participate meaningfully and to do all we can to make the negotiations succeed. We will be in a position to pay and pay fully for advantages received.

In conclusion, may I quote from the Speech from the Throne made the day before yesterday in the Canadian Parliament: "My Ministers believe that the nations can best achieve economic progress through policies that steadily reduce the barriers limiting trade. It is equally important to pursue active policies for the economic development of the newer nations, for the expansion of trade in primary commodities at reasonably stable prices, and for the improvement of international payments."