

Canada counts at the WTO

When the Fifth WTO Ministerial Conference starts tomorrow in Cancun, we're likely to see fewer colourfully costumed butterflies demonstrating against the WTO and more white-clad campesinos still mad over NAFTA. This is fitting as the middle-class issues of environment and labour standards, which took centre stage at Seattle, will be yielding pride of place to agriculture, the main bread and butter issue for the developing world's rural poor.

It's no secret that the trade round is not going well. Almost all the negotiating deadlines have come and gone. The scheduled completion date for the round of January, 2005, looks more and more like a pipe dream.

The main stumbling block for the negotiations is agriculture. Developing countries want the developed world to improve market access for their agricultural products, eliminate export subsidies and reduce trade-distorting domestic support. Africa's call for abolition of cotton subsidies is one symbolic-specific demand. At the same time, it must be admitted, the developing countries are seeking continued protection for "special products" and wanting "special and differential treatment."

What is Canada's stake? Some Europeans, especially in France, claim that Canada has no real stake in or commitment to multilateral trade negotiations. Instead they maintain that Canada really only cares about its trade relationship with the United States and that the current round of WTO negotiations counts for Canada only if it provides us with some leverage in our dealings with the United States.

We refuse to accept this humbling, shall we call it, French view of Canada's role in multilateral trade negotiations. Canada remains a major player in the global trading system and must be seen to be one. Trade Minister Pettigrew has set out three overarching objectives for Canada in the current negotiating round: a fundamental reform to the agricultural trade regime, better market access for goods and services and improved trade rules.

In the market access negotiations, Canada has displayed leadership in putting together, with the EU and United States, a comprehensive proposal that could serve as a basis for the discussions in Cancun. Chalk up one for us. Sadly however, the developing country bloc has tied progress on market access to the outcome of agricultural negotiations. The developing countries view the West's continued insistence on lower industrial tariffs while maintaining high agricultural and textile restraints to be nothing less than hypocrisy of the first order.

On agriculture, our role has been less heroic. Although we are nowhere on the scale of the EU,

the United States, Japan and others, we still have trade-distorting agricultural programs of our own. At an appropriate time, we will have to stick our head up and then we can use these as bargaining tools to try to get others to dismantle their programs. In the meantime, we have to recognize that we probably lack the credibility and the weight to be major players in the agricultural negotiations.

Concerning trade rules, Canada has been an active supporter of moves to improve transparency of the WTO, to tighten up the dispute settlement mechanism and to weaken the anti-dumping regime. While the United States is strongly resisting changes to the trade remedy system, Canada can do much in a low-key way to reform this system by continuing to advance creative ideas in the hope that some of them will eventually attract sufficient support to overcome the opposition of political forces south of border.

In the final analysis, Canada can best contribute, as we did in the past with the creation of the dispute settlement mechanism or even of the WTO itself, through good ideas and hard work. There is a need to keep negotiations as broad as possible for as long as possible. Only by doing so will it be possible to make the required trade-offs across WTO members that will be necessary to reach a single undertaking Doha Development Round Agreement.

The important thing will be to make sure we come out of Cancun with everyone still talking to one another and a work plan for the next stage of the negotiations. If the negotiations don't come to a head until 2006 or 2007, so what? The Uruguay Round negotiations lasted eight years.

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