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PROGRAMME FOR THE EXPANSION OF INTERNATIONAL TRADE

Statement by the Representative of Canada on 10 November 1967

On behalf of my delegation I would like to express our appreciation for the initiative taken by the Director-General in proposing Item 3 for our agenda. His statement on the opening day of this session provides an excellent starting position for our deliberations.

In the view of the Canadian delegation it is of the utmost importance that GATT should now be devising a new programme of work looking to what further might be done by way of trade liberalization on the broadest possible basis. The successful conclusion of the Kennedy Round was of course a major achievement. It might be expected that countries will wish to have a digestive period before embarking on new trade initiatives. Nevertheless, unless we set our sights on further progress and begin now considering what further might be done in the field of international trade co-operation, we may be in serious danger of backsliding.

The first task is, of course, the consolidation of the Kennedy Round results and the full implementation of the agreements reached. We have already advised the Trade and Development Committee about Canada's advance implementation of concessions on products of particular interest to developing countries. In most cases these concessions are being implemented fully on 1 January 1968. With respect to other concessions, we are planning on implementation, in most cases, commencing 1 January 1968. However, to maintain this schedule it is important that other countries confirm their plans for implementation in accordance with the Protocol at the earliest possible date. With respect to implementation of the anti-dumping code, on 1 July next year new legislation will be required in Canada and we are proceeding with this. As regards grains, Canada signed the Wheat Trade Convention and the Food Aid Convention on 2 November and it is our hope that other countries will proceed as quickly as possible.

While the Kennedy Round made great progress much remains to be done. In a number of areas the Kennedy Round fell short of what had been hoped. This applies particularly with respect to access for agricultural products and the opening up of trading opportunities for the developing countries. On the basis of these considerations and in the belief that all countries in considering the future development of their commercial policy, should have the benefit of close international consultation, Canada has warmly welcomed the decision to hold a high-level meeting at the end of the current session. It is our expectation that this high-level meeting can provide the guidelines and set in train an agreed work programme aimed at the consideration and preparation of future initiatives for multilateral trade liberalization. Canada will of course be represented at this meeting at ministerial level.

In considering our future work programme three broad areas have been identified: trade in industrial products; trade in agricultural products; and the particular trade interests of the developing countries. In our view, it would also be worthwhile to take stock of the progress made in bringing a number of countries with centrally-planned economies into full GATT membership on a mutually advantageous basis and to consider how GATT can best advance this process. In this connexion, my delegation warmly welcomes the presence of Poland as a full contracting party, the attendance of an observer from Bulgaria and was keenly interested in what the observer from Hungary had to say about the plans of his country.

Within the programme of work which is proposed, Canada believes that, inter alia, the possibility of and the scope for removing tariff barriers to trade in industrial raw materials merits study. All countries would seem to stand to gain from free trade in such items. Further, we believe there is considerable merit in the proposition that it should be possible seriously to consider the removal of tariffs on products where the rates of duty are already low. In considering the possibilities for future trade liberalization Canada has been particularly interested in the so-called sector approach. In our view there are a number of sectors which might be found to lend themselves to this technique and Canada would like to see such studies include the sectors of forest products and non-ferrous metals. The sector approach, in our view, might well provide an effective means of coming to grips with a whole range of factors both tariff, non-tariff and non-governmental which affect the flow of trade.

With respect to non-tariff barriers generally, we would agree that a good deal more work is required in identifying them, assessing their trade impact and considering the scope for liberalization. It is, in our view, an increasingly important area for examination as tariff barriers to trade have been negotiated downward. Accordingly, we fully support the development of a programme which would have as its first task the drawing up of an inventory of non-tariff barriers.

With respect to trade in agricultural products, experience in the Kennedy Round has demonstrated how complex and difficult it is to make progress in opening up channels of trade. We need to carry forward the work begun under the GATT action programme directed to identifying the various elements which would have to be taken into account in the prospects for working out agreements with respect to these in the implementation of the GATT objective of further trade liberalization in agricultural products. We believe that the objective of this exercise should clearly be not to carry out a confrontation but rather to work towards a consensus as to how best to deal with these difficult trade problems.

With respect to the trade and development problems of the developing countries, we would agree that this is a matter that requires urgent attention. In our view, the Kennedy Round results will be found to have done a great deal in opening up export opportunities for developing countries. Realization of the full benefits of these new export opportunities requires a major effort and we believe the International Trade Centre can make an important contribution. Concerning the prospects and possibilities for further liberalization of tariff barriers to trade in products of particular interest to developing countries, the Trade and Development Committee will, we believe, be coming forward with a number of proposals that warrant serious, early and careful attention. Canada has particularly supported proposals for free trade in tropical products and for special attention being given to the possibilities of further reductions of tariff and non-tariff barriers to the trade of developing countries. We share the view that it would probably not be fruitful at this stage to anticipate what might be done at the Second UNCTAD Conference in New Delhi with respect to the question of preferences for developing countries. At the same time, we believe that the GATT programme should be sufficiently flexible as to pursue this question in the light of the results of the New Delhi Conference.

With respect to timing, as I have said, Canada recognizes that a good deal of preparatory work needs to be done before the possibilities for further general progress in trade liberalization can be assessed and governments could not be expected at this stage to commit themselves to further trade negotiations. However, there are a number of initiatives taken in the course of the Kennedy Round where the discussions were not completed and we believe these should be pursued as a matter of unfinished business. In particular, the discussions initiated on the possibility of free trade in aluminium should, in our view, be pursued. Further, while our first task is to obtain ratification and full implementation of the agreement on grains, early attention needs to be given to the problem of access where it was not possible, in the time available to reach agreement.