

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

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Views Submitted by Delegations

Addendum

CANADA

The following communication, dated 21 June 1974, has been submitted by the delegation of Canada.

In Canada's view the following conclusions can be drawn from an analysis of recent changes in world commodity markets:

1. A wide range of factors has led to higher prices and significantly lower stocks for many farm products in the last few years. In the past periods of relatively short supply and high prices have been followed by periods of over-supply and depressed prices.
2. While the relative weight given to the various factors may vary somewhat from commodity to commodity and from country to country, an examination of current and past market conditions for the agricultural commodities under review suggests that the cumulative effect of years of unduly restricted access, the widespread use of export subsidies and other export aids, and the consequent build-up of burdensome stocks, has been to discourage the expansion of economic and efficient agricultural production, to force curtailment of production in some cases, and contribute significantly to the uncertainty of supplies and the severity of agricultural commodity price fluctuations. In addition, in view of rising production costs, there may well now be a reluctance on the part of many producers to increase production unless solutions are found to some of these problems.

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With regard to the implication of this analysis for the Multilateral Trade Negotiations, Canada would draw the following general conclusions:

1. Barriers to access, both tariff and non-tariff, continue to be key factors in the trade in agricultural products;
2. Wide fluctuations in supplies and prices of agricultural products on a world basis can be moderated by trade liberalization.

In the Canadian view, the Multilateral Trade Negotiations should attempt to establish a framework for international agricultural trade which would encourage expansion of economic production and thereby increase the security of supply of agricultural products at reasonable prices. We could see attaining this by:

1. A substantial improvement in and continuing assurance of access to world markets by the dismantlement of tariffs and non-tariff barriers;
2. Eliminating export subsidies and other aids to exports;
3. Where appropriate for certain commodities, developing commodity arrangements which contain a range of elements;
4. Effective measures to prevent the subsequent erosion of access undertakings.