

The Kennedy Round achieved certain important results in this area, but the bulk of non-tariff obstacles to trade remain. Many of these obstacles would presumably be covered in any consideration of free trade by sectors. However, the Canadian Government considers that special attention should be given to the whole field of non-tariff barriers which can be no less effective than tariffs in thwarting the efficient international allocation of resources. Furthermore, as tariffs come down, these non-tariff obstacles will have a correspondingly greater impact on world trade. Indeed governments will need to be alert to resist pressures to increase such barriers.

I urge the Contracting Parties to undertake a detailed study of non-tariff barriers with a view to identifying their effects, examining the possibilities of the removal of such barriers on an international basis, and determining whether means can be found to impede their proliferation.

(C) AGRICULTURE

Canada was a strong supporter of the decision taken in 1963 to work for an improvement in the conditions of access to world markets for agricultural products as part of the Kennedy Round. The International Grains Arrangement, with its food-aid programme, represents a major achievement for exporters and importers, for developed and developing countries alike. There were significant gains for some other agricultural products but, for some basic commodities, including grains, governments pulled back from the difficult decisions on domestic support policies necessary to reduce the obstacles to trade in farm products. In relation to the extent of the problems facing agricultural trade, and to the objectives set out over four years ago, the outcome of the Kennedy Round is disappointing.

The recent negotiations focussed attention on the problems of world trade arising from agricultural protectionism. Most countries have adopted measures to support one or more sectors of their agriculture, to protect them from international competition, and to achieve a greater measure of self-sufficiency. But this has gone too far. Massive protection is not the answer. It is to be remembered that the GATT provides orderly procedures for dealing with cases of serious injury arising from imports on a temporary basis. Canada, like other countries, from time to time also faces such special problems.

Agriculture is a sector of trade relations marked by long-standing "waivers" from GATT obligations, by residual quantitative restrictions, by domestic programmes and devices which, while perhaps conforming to the letter of the law, in practice represent a serious and unjustifiable impediment to trade.

The cost of income support to inefficient producers and the cost of lost markets to efficient producers is an increasing burden on all countries. The significant liberalization of trade in industrial products achieved in the Kennedy Round, as compared with the relatively more modest results in agriculture, can only result in a further widening of the gap between the productivity and incomes in agriculture and in industry. This presents a major challenge to governments, but it is a challenge which must be faced.