

The countries represented here today account for almost three-quarters of world trade. We are faced with serious threats to the world trading system and it will be up to us to work together to meet the challenge this creates.

For almost four decades our nations have been building the open multilateral trading system based on the General Agreement on Tariffs and Trade (GATT). Each of us during these years has benefited from the fundamental principles of non-discrimination and transparency. The successive rounds of multilateral trade negotiations, which have reduced substantially and in some cases eliminated barriers to trade, have made possible the increases in world trade which we have witnessed over the years, and which cumulatively are of critical importance to our economic well-being. Soon we will have implemented all the trade liberalization measures to which we agreed during the Tokyo Round of multilateral trade negotiations.

However, we are now facing serious pressures for protectionist action which are exacerbated by continuing high levels of unemployment and major shifts in exchange rates. We must resist these pressures. Failure to do so will increase structural rigidities and jeopardize the prospects of our collective objective of sustained non-inflationary growth.

In this regard the public release of the Study on Costs and Benefits of Protection underlines the costly distortions protectionism entails.