

INTERNATIONAL TRADE ISSUES

The importance of maintaining and strengthening the open multilateral trading system cannot be over-emphasized. As a result of the mixed economic record, the improvement in the trading environment which had been hoped for last year has not yet occurred and therefore it has not yet been translated into a reduction in protectionist pressures. The international trading system continues to be under strain and, unless major trading countries resist renewed protectionist pressures and start addressing seriously some of the issues which appear on the international trade policy agenda, prospects for improving the trading system will remain dim. Although economic conditions have not provided the room for manoeuvre needed by governments to take major steps to fully effect earlier commitments to dismantle protectionist measures, the initiatives which have been taken - or are going to be taken - are important.

At the beginning of this year, commitments agreed to in the Tokyo Round were implemented and subsequently participants in the GATT Agreement on Trade in Civil Aircraft agreed to a significant broadening of product coverage. As part of our endeavours designed to strengthen the multilateral trading system by relaxing and dismantling trade restrictive and distorting measures, it is proposed we agree to advance the implementation of our Tokyo Round tariff cuts, without product exception. It is important that we have agreed on a first step in these endeavours. Advanced implementation of the Tokyo Round tariff concessions constitutes an important demonstration of our continued capacity to move in the direction of greater openness. But we should not be complacent. This step does not deal with many pressing issues, which we must continue to pursue actively.

Canada is very much aware of the importance of providing improved access to developed country markets for the goods of developing countries. In this regard, we are considering extending the current duty-free access treatment to most LLDC exports of industrial goods and we are also considering requests for other improvements in our GPT.

Pressures on governments for protectionist actions are continuing unabated. It is important that we resist these pressures collectively to avoid impacting