

There is the separate matter of strictly protectionist pressures which have become apparent in various countries and of which we shall doubtless be hearing a great deal throughout this year. The full and effective implementation of the Kennedy Round results implies that such pressures must be resisted, and in this connection I may say that we have received firm and formal assurances from the U.S. Government that they will do all in their power to ensure against passage of protectionist measures in the U.S.

In short, this is a time for cool judgment, firm resolve and continued co-operation on the part of all major trading countries, and we shall be doing our part to be helpful in keeping international trade on course.

It would be unfortunate and paradoxical if, now that we are about to reap the benefits of the biggest and most successful trade negotiations ever concluded, a mood of uncertainty and scepticism were to prevail. The facts lead to a quite different conclusion, and we should not allow temporary problems to obscure the significant long-term improvement which is taking place in the international trading framework.

I should like now to comment briefly on the Kennedy Round as a whole. These negotiations were the sixth round of general trade negotiations held under the aegis of the General Agreement on Tariffs and Trade since its inception in 1947. It was also the largest trade negotiation ever in terms of participants, in terms of world trade coverage, and in terms of scope and depth of tariff reduction. Some \$45 billion of world trade has been affected and major participating countries are making tariff cuts on 70 per cent of their dutiable industrial imports, of which some two-thirds will be by reductions of 50 per cent or more. Following upon the basic principle of the General Agreement, all trade and tariff concessions granted by any country to any other are automatically and unconditionally extended to all other participating countries.

In addition to the tariff bargaining, for the first time a general GATT trade negotiation was extended to include non-tariff obstacles to freer world trade. Major achievements here were the conclusion of an international code on anti-dumping and undertakings by the U.S.A. to seek elimination through the U.S. Congress of a particularly burdensome system of customs valuation on chemicals known as the American Selling Price System.

The negotiations covered all classes of product, both industrial and agricultural, and dealt not only with tariffs but also with certain non-tariff barriers. It was agreed that, to the maximum extent possible and subject to overall reciprocity, the negotiations would proceed on the basis of 50 percent equal linear or cross-the-board cuts in tariffs. The linear approach was adopted by a number of industrial countries, including the United States, Britain, the EEC and Japan.

As indicated by the Minister of Finance at the opening of these hearings, it was recognized from the outset that linear tariff cuts would not be appropriate in Canada's case because of this country's special trade and economic structure. Canada therefore participated on the basis of offering tariff concessions equivalent in terms of their effects on trade to the benefits