

The GATT

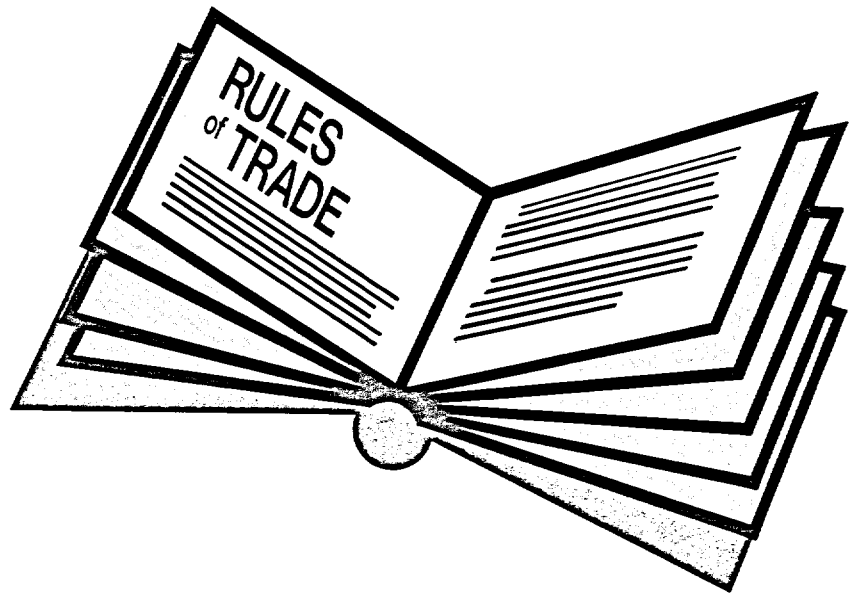
The General Agreement on Tariffs and Trade (GATT) is the cornerstone of the world trading system and of Canadian international trade policy.

Canada was one of the 23 founding members of GATT in 1948 and has played a leading role in building GATT and establishing the rules which now govern 80 per cent of international trade. Today, the GATT has 95 member-nations. (See Appendix)

Canada is committed to the GATT. The bilateral agreement sought by Canada and the United States, for instance, was consistent with Article XXIV of the Agreement which allows signatories to negotiate free-trade areas.

GATT Contracting Parties (member-nations) are now engaged in the GATT's eighth major round of negotiations, known as the Uruguay Round, which began in Punta del Este, Uruguay in September 1986.

Canada believes that the Uruguay Round provides an excellent opportunity to resist protectionist threats, to promote the rule of law in international trade, to strengthen the multilateral trading system and to restore momentum in liberalizing world trade.



The importance of GATT

The General Agreement is the only multilateral instrument that sets out the rules for international trade. Its basic aim is to promote international trade by reducing or eliminating tariff and other barriers. The GATT is a forum in which countries can discuss and resolve their trade problems and negotiate expanded trading opportunities.

The 800 per cent growth in the volume of international trade since the Second World War is evidence of GATT's success.

The GATT has responded to changes in the world economic scene, including shifts in the relative economic strengths of nations, the growing influence of developing countries in international affairs and the creation of regional or preferential economic groupings. It has also responded to changing patterns of trade and investment, and to emerging new issues such as services and intellectual property.

Seven rounds of negotiations have taken place under GATT auspices since 1948, each a milestone on the path to a liberalization of world trade. The most recent, the Tokyo Round, ran from 1973 to 1979 and resulted in several